



CITY OF MORGAN HILL
COMMUNITY DEVELOPMENT DEPARTMENT, PLANNING DIVISION

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PLANNING COMMISSION

TUESDAY, DECEMBER 16, 2008

**COMMUNITY AND CULTURAL CENTER
EL TORO ROOM
17000 MONTEREY ROAD
MORGAN HILL, CA**

COMMISSIONERS

CHAIR, SUSAN KOEPP-BAKER
VICE-CHAIR, COMMISSIONER WAYNE TANDA
COMMISSIONER H. GENO ACEVEDO
COMMISSIONER ROBERT L. ESCOBAR
COMMISSIONER RALPH LYLE
COMMISSIONER JOSEPH H. MUELLER
VACANT

WORKSHOP - 7:00 P.M.

***** A G E N D A *****

NOTICE TO THE PUBLIC

The following policies shall govern the conduct of the Planning Commission meetings:

- *All Planning Commission proceedings are tape-recorded.*
- *Individuals wishing to address the Planning Commission on a particular item should fill out a speaker card and present it to the Secretary. This will assist the Chairperson in hearing your comments at the appropriate time.*
- *When the Chairperson invites you to address the Commission, please state your name and address at the beginning of your remarks.*
- *Speakers will be recognized to offer presentations in the following order:*
 - *Those supporting the application*
 - *Those opposing the application*
 - *Those with general concerns or comments*
 - *Presentations are limited to 5 minutes*

**DECLARATION OF POSTING OF AGENDA IN ACCORDANCE WITH
GOVERNMENT CODE SECTION 54954.2 - SECRETARY REPORT**

OPEN PUBLIC COMMENT PERIOD (5 MINUTES)

Now is the time for presentation from the public on items **NOT** appearing on the agenda that are within the Planning Commission's jurisdiction. Should your comments require Commission action, your request will be placed on the next appropriate agenda. No Commission discussion or action may be taken until your item appears on a future agenda. You may contact the Planning Division for specific time and dates. This procedure is in compliance with the California Public Meeting Law (Brown Act) G.C. 54950.5. Please limit your comments to five (5) minutes.

WORKSHOP:

1) **AMENDMENTS TO DEVELOPMENT AGREEMENTS TO IMPLEMENT REDUCTION IN
BMR COMMITMENTS IN EXCHANGE FOR PROJECT ENHANCEMENTS:**

Recommendation:

- 1) Conduct a workshop to review proposed amendments to Residential Development Agreements allowing a reduction in project below market rate (BMR) commitments in exchange for project enhancements that provide public benefits.
- 2) Determine appropriate level of project enhancements.

THE DECEMBER 23, 2008 MEETING HAS BEEN CANCELED

TENTATIVE AGENDA FOR THE JANUARY 13, 2009 MEETING:

- UP-08-11: Barrett-Colson & Colson
- DAA-06-02C: San Pedro-Alcini/Pinn Bros.
- DAA-07-01A (SD-07-08/MC-05-05): Monterey-Alcini/Pinn Bros.
- ZA-08-06: Condit-Kubo
- ZAA-98-16B: Condit-Horizon Land/Ford Store
- ZA-08-19: Condit-Wolff
- ZA-08-20: Condit-Wolff (sign code)
- UP-08-12: Condit-Wolff
- Redistribution of RDCS Building Allotments
- Review and approval of Final RDCS project scores

ANNOUNCEMENTS:

CITY COUNCIL REPORTS

ADJOURNMENT

SPEAKER CARD

IN ACCORDANCE WITH GOVERNMENT CODE 54953.3, IT IS NOT A REQUIREMENT TO FILL OUT A SPEAKER CARD IN ORDER TO SPEAK TO THE PLANNING COMMISSION. HOWEVER, it is very helpful to the Commission if you would fill out the Speaker Card that is available on the counter in the Council Chambers. Please fill out the card and return it to the Deputy City Clerk. As your name is called by the Chairperson, please walk to the podium and speak directly into the microphone. Clearly state your name and address and proceed to comment upon the agenda item. Please limit your remarks to three (3) minutes.

NOTICE
AMERICANS WITH DISABILITY ACT (ADA)

The City of Morgan Hill complies with the Americans with Disability Act (ADA) and will provide reasonable accommodation to individuals with disabilities to ensure equal access to all facilities, programs and services offered by the City.

If assistance is needed regarding any item appearing on the Planning Commission agenda, please contact the Office of the City Clerk at City Hall, 17555 Peak Avenue or call 779-7259 or Hearing Impaired only - TDD 776-7381 to request accommodation.

NOTICE

NOTICE IS GIVEN pursuant to Government Code Section 65009, that any challenge of any of the above agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to the Public Hearing on these matters.

NOTICE

The time within which judicial review must be sought of the action taken by the Planning Commission which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

NOTICE

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the Planning Commission less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17555 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the Planning Commission. (Pursuant to Government Code 54957.5)



MEMORANDUM

To: PLANNING COMMISSION

Date: December 16, 2009

From: COMMUNITY DEVELOPMENT DEPARTMENT

**Subject: AMENDMENTS TO DEVELOPMENT AGREEMENTS TO IMPLEMENT
REDUCTION IN BMR COMMITMENTS IN EXCHANGE FOR PROJECT
ENHANCEMENTS.**

RECOMMENDATION

Conduct a workshop to review proposed amendments to Residential Development Agreements for projects awarded a building allotment through fiscal year 2009-10. Discuss and provide direction to staff on the appropriate project enhancements to be received in exchange to a reduction in the below market rate (BMR) commitment. Review and discuss proposed language to be added to each amended Development Agreement.

BACKGROUND

In August, the City Manager presented a report to the Council on the underlying issues that keep approved housing projects from moving forward. After much discussion, the Council referred this matter to the Planning Commission for recommendations that would address these underlying issues. The Commission held a workshop and two public hearings in September, received testimony from homebuilders and considered the specific issues, housing data and exhibits. The Commission's specific recommendations are contained in the attached Council Report dated October 15, 2008. The City Council approved the Commission's recommendations at their October 15 meeting with one modification under item 1a in the attached report (the recommendation to allow a 50 percent reduction in the number of BMR units). The Council modified item 1a to waive the BMR requirement entirely for projects that are able to commence construction by April 30, 2009. Implementing the Commission's recommendations will require amending the Residential Development Agreement for each of the projects awarded a building allotment through fiscal year 2009-10 for applicants the reduction in BMR's.

CASE ANALYSIS

To allow for the reduction in the number of BMR units, developers were advised that some type of product upgrade or enhancement will need to be proposed as part of each Development

Agreement Amendment (DAA), such as a commitment to Build It Green, with such upgrade to be incorporated within the DAA. Staff contacted each developer who is eligible to participate in the BMR reduction program and asked each developer/project to propose an "enhancement" that provides a public benefit and that works for the homebuilder and the subject project. Attached are exhibits for each of the 12 participating projects showing the status of each project, the BMR reduction request and other requested amendments, the project's proposed enhancements, and a table showing the drawing down in the BMR commitment as the project is completed. The following section provides an overview of the enhancements proposed by applicants and staff's recommendation on what are "appropriate" project enhancements.

Enhancements:

A wide range of enhancements have proposed by the applicants requesting elimination/reduction of the BMR units. Staff suggested the applicants commit to 131 on the Build it Green (BIG) check list or commit to the inclusion of an additional 10 percent secondary dwelling units within the phase the BMR elimination/reduction is sought.

Several applicants revised their initial letter of request per staff's recommendation and made specific BIG point commitments. The commitments range from 90 to 131 points. Larger projects such as Mission Ranch and Alicante committed to the inclusion of additional secondary dwelling units. Several builders committing to BIG points also committed to offering additional "Green" options to homebuyers. One applicant offered only the "option" to buyers and did not give a base point commitment.

In addition to cost concerns in achieving higher BIG point totals, additional BIG point commitments may also require structural redesigns that would require new plans and plan check. All of the projects requesting BMR elimination/reduction except one (DA 06-04 Diana-Chan), has gone through the building permit plan check process for all units within the project. One other, DAA 04-08 Tilton-Glenrock has only completed plan check for only two of the models to be used in the remaining project phases.

Taking into the account the current financial difficulties facing the applicants and their desire to avoid the cost and time of having their existing approved plans revised and rechecked, staff recommends the following for projects that have completed the building permit plan check process for all models within all phase(s) requesting BMR elimination/reduction:

- ✓ Minimum 90 point BIG certification; or
- ✓ Additional 10 percent secondary dwelling units.

Projects that have not completed the building permit process for the phase(s) requesting BMR reduction/elimination shall commit to 110 point BIG certification.

Proposed Development Agreement Language for BMR Reduction Program:

After determining acceptable project enhancements, the Planning Commission will need to approve language to be inserted into each of the project's Development Agreement allowing the reduced number of BMRs. In addition, the new language will need to address the temporary waiver of BMRs for projects that pull building permits by April 30, 2009. Attached is an exhibit with the recommended language. Because of the amount of time that will be required to amend each Development Agreement, staff recommends the April 30, 2009 deadline to obtain permits for a waiver of BMR's be extended to **June 30, 2009**. After June 30, 2009, projects would be required to provide a reduced number of BMRs as specified in each amended Development Agreement.

As recommended by the Planning Commission and approved by the City Council, the reduction in the number of BMRs provided would be allowed where building permits are pulled (for that phase) on or after June 30, 2009 and before June 30, 2010. Because the housing market is not expected to begin recovery for another 12 to 18 months, staff recommends the reduced BMR incentive be extended for an additional year to **June 30, 2011**.

Proposed Development Agreement Language for Housing Mitigation Fee Reduction:

Another incentive recommended by the Commission and approved by the Council allows a 50 percent reduction in the fee an applicant agrees to pay in-lieu of the BMR commitment or when a fractional share, less than .5 of a BMR is owed upon completion of the project. Attached is an exhibit with the recommended language allowing the 50 percent fee reduction to be added to each Development Agreement.

Defense and Indemnification Clause:

The reduction in the number of BMR units would result in the reduction of up to 13 points to projects under the Housing Needs category of the RDCS Standards and Criteria and a reduction of two points under the Housing Types category. Under Section 18.78.150(B) of the Municipal Code, should a project deviate below the points awarded for its initial application, the Planning Officer shall report such deviation to the City Council. Thereafter, the Council, after holding a hearing, may rescind all or part of the development allotment in favor of another development which has qualified for such allotment and which is capable of commencement in the year for which the allotment was awarded. For the projects requesting a reduction in BMRs, the Council would choose not to rescind the development allotment after hearings are held to amend the Residential Development Agreements. The amendment to the Development Agreement would need to include provisions that would require the homebuilder or property owner to defend and indemnify the City against any legal challenge to the decision not to rescind the development allotment in favor of a next in line project. This language is being prepared by the City Attorney's office and will be added as an amendment to each Development Agreement.

Implementation Schedule:

After the December 16 workshop, staff will work with the applicants and prepare amendments to the Development Agreements for each of the projects identified in the attached exhibits. The proposed DAAs will be considered by the Planning Commission at public hearings to be held on January 27, 2009 and by the City Council on February 18, 2009.

Attachments:

- 1) City Council Report dated October 15, 2008
- 2) Project Applications 1- 12 with descriptions and applicant letters
- 3) Proposed Development Agreement Language for BMR Reduction Program
- 4) Proposed Development Agreement Language for Housing Mitigation Fee Reduction



MEMORANDUM

To: MAYOR AND CITY COUNCIL

Date: October 15, 2008

From: COMMUNITY DEVELOPMENT DEPARTMENT

**Subject: PLANNING COMMISSION RECOMMENDATION FOR
ACCELERATING PREVIOUSLY APPROVED HOUSING PROJECTS**

REQUEST

A review of the issues, policies and options addressing the cost of below market rate (BMR) housing and other factors that contribute to the slowdown in the production of new homes in previously approved housing projects.

BACKGROUND

At the August 27, 2008 meeting, the City Council considered a report from the City Manager on the underlying issues that keep approved housing projects from moving forward. The downturn in the housing market is a significant factor and because of the decline in the price of new homes, builders are finding it difficult to subsidize the cost of below market rate (BMR) units through the pricing of market rate units. After lengthy discussion, the Council voted to refer this item to the Planning Commission for recommendations that could enable approved housing projects to move forward with development.

The Planning Commission conducted a workshop on September 9 and held public hearings on September 9 and September 23 to address ways of accelerating previously approved housing projects. The Commission agreed that the primary means to accomplish this is to lower the cost to produce market rate and BMR housing. To lower costs, the Commission recommends lowering the City's standard housing mitigation or housing in-lieu fee by 50 percent; that certain other fees are deferred from issuance of building permits to close of escrow and by reducing the number of BMR units in a project. The Commission also noted that the City could assist homebuyers by expanding the City's Down Payment Assistance Program currently available to city employees.

The Commission agreed the assistance the City provides to homebuilders should be limited to projects awarded a building allotment through Fiscal Year.2009-10. However, the assistance

should only apply to that portion of those allocated units that are currently being built. To make up lost BMR units, the Commission may recommend adjusting the affordable competition set-aside, currently at 20 percent, to a higher number in future competitions.

The attached September 23 report, exhibits and meeting minutes provide information on the specific issues and housing data considered the Commission to reach agreement on the following recommendations.

Planning Commission Recommendation

To address ways of accelerating previously approved housing projects the Planning Commission recommends:

1. Reducing the BMR commitment for projects listed in the attached Exhibit A from 5% low and 8% median to 5% low (remains the same), no median BMR units, and for the Capriano Project from 10% low to 5% low (from 6 to 3 low income units). This would reduce a project's BMR commitment by 50 percent. In essence, projects would build 19 low BMR units and no median BMR units. The current requirement is 22 low BMR units and 25 median BMR units. The vote was 5-1 with Commissioner Mueller in favor an option that would reduce the BMR commitment to 2% low and 4% median.
2. In exchange for the reduced BMR commitment, homebuilder must commit to construct project upgrades such as a commitment to build it green. For the build it green commitment a project must achieve the minimum score under the new Quality of Construction criteria in the RDCS Standards and Criteria.
3. The lower BMR commitment should remain in effect for projects that begin construction by June 30, 2010. If a project does not achieve project build out or build out of that phase of the project by this date, the project Development Agreement should revert to the original BMR requirement of 5% low and 8% median. The vote was 5-1 with Commissioner Mueller in favor of a reversion to a 5% low and 5% median commitment that would be on a level playing field with the BMR commitment required for projects in the upcoming RDCS competition.
4. Allow RDCS fees, City impact fees and request the School District allow school impact fees to be deferred from payment at time of issuance of building permit to close of escrow. This would reduce the financing cost to the homebuilder on all of the units, including market rate units. The Council should consider the fiscal impacts of fee deferrals See item 11 in the September 23 Planning Commission Report.
5. To reduce housing costs, the Commission recommends lowering the City's Housing Mitigation or In Lieu Housing Fee by 50 percent from approximately \$150,000 per unit to \$75,000 per unit. The reduced fee would remain in effect until June 30, 2010 unless extended by the Council

6. To increase the number of potential homebuyers, the Commission recommends expanding the City's Down Payment Assistance Program currently available to city employees and explore the viability of an equity share program.
7. The Planning Commission recommends the reduced BMR commitments and other measures to reduce the cost of housing should be limited to project awarded a building allotment to FY 2009-10 and the assistance should end when the housing market recovers. The Commission request the opportunity to determine what that measurement or metric would be that would signal market recovery should it occur before June 30, 2010.

Implementing the Planning Commission's recommendations would require amending the Residential Development Agreement for each of the projects listed the attached Exhibit A. The reduction in the number of BMR units would result in the reduction of up to 13 points to projects under the Housing Needs category of the RDCS and a reduction of two points under Housing Types category. Under Section 18.78.150(B) of the Municipal Code, should a project deviate below the points awarded for its initial application, the Planning Officer shall report such deviation to the City Council. Thereafter, the Council, after holding a hearing, may rescind all or part of the development allotment in favor of another development which has qualified for such allotment and which is capable of commencement in the year for which the allotment was awarded. For the projects listed in Exhibit A, the Council would choose not to rescind the development allotment after hearings are held to amend the Residential Development Agreements. The amendment to the Development Agreement would need to include provisions that would require the homebuilder or property owner to defend and indemnify the City against any legal challenge to the decision not to rescind the development allotment in favor of a next in line project.

If the Council approves the reduction in BMR's, staff would process the required amendments to the development agreements. It will probably take at least 60 days to process the first of the amendments. However, it should be noted developers would need to pay processing fees. Staff recommends a November 10, 2008 deadline for "half-price" fee for Development Agreement Amendments (DAA) based on a consolidated amendments processing. Staff would also develop the guidelines for ensuring the project upgrades for "green" building.

If the Council supports the deferral of fees to the sale of market rate units, staff would prepare a more in-depth fiscal analysis of the affect on the City based on construction that may occur prior to June 30, 2010. Staff would report to the Council its findings and recommended implementation process. The Council should direct its members of the City/School District liaison committee to discuss with the committee the possibility of deferring school impact fees.

If the Council supports the creation of a citywide down payment assistance program, the Council's Community and Economic Development (C&ED) Committee will be recommending a program to the Council/Agency for approval. Staff anticipates bringing the program to the Council/Agency for approval prior to the end of the year.

RECOMMENDATION

It is recommended that the City Council:

1. Accept the following Planning Commission Recommendations:
 - a. For projects awarded building allotments to FY 2009/10, reduce the BMR commitments for projects listed in attached Exhibit A from 5% low and 8% median to only require 5% low, but the Capriano project would be reduced from 10% low to 5% low. Lowered BMR commitments would be in effect for projects that begin construction by June 30, 2010.
 - b. City staff to undertake activities that would allow for implementation of a program to allow for deferred payment of RDCS fee commitments and City impact fees, and city staff to work with the School District to obtain approval of a school fee deferral program. All units within the subject projects would be eligible for the deferred payment of such fees.
 - c. City staff to undertake activities that would allow for lowering of the city's Housing Mitigation or Housing In-Lieu fee by 50%, with such lowered fee to be in effect until June 30, 2010 unless extended by the City Council.
 - d. City staff to undertake activities that would expand the Down payment Assistance Program to the general public, and to explore the viability of an equity share program, and that Community & Economic Development Council Committee to report back with recommendations for the City Council.
2. Direct staff to announce to each affected developer:
 - a. A November 10, 2008 deadline for "half-price" fee for Development Agreement Amendments (DAA) based on a consolidated amendments processing; with applications received after that date to pay full fee.
 - b. Advise developers that some type of product upgrade will need to be proposed as part of each DAA, such as a commitment to Build It Green, with such upgrade to be incorporated within the DAA.
3. Direct that each of the DAA's include the following finding: That given the extraordinary housing and financing market conditions that have existed for over a year and are likely to continue for at least a year, the deviation of points for the subject project under the RDCS competition scoring process will not cause the City to rescind the subject development allotments.

Attachments:

1. September 23 Staff Report
2. Exhibit A – Approved Projects with Future BMR Commitments
3. Exhibit B – Housing Element Goal 2006 RHNA Accomplishments
4. Exhibit C - Net RHNA Balances through 2014 based on Current Market Rate & BMR Commitments
5. Exhibit D – Options for Reducing the Number of BMR Units
6. Exhibit E – Number of Available New Homes for Sale
7. Exhibit F – List of All New Homes Under Construction
8. Exhibit G – Current BMR Unit Pricing and Income Figures (info only)

1. DAA 04-05: Barrett-Odishoo

36-units R-2 SFA/fully allocated.

Status

Completed: Phase 1 (5 units, FY 2005-06) /0 BMRs
Phase 2 (18 units, FY 2006-07)/1 Low & 1 Median BMR

Incomplete: Phase 3 (5 units, FY 2007-08)/1 Median BMR
Phase 4 (13 units, FY 2008-09/1 Low & 1 Median BMR

Request: "...50 % reduction of the number of BMR's required."

Enhancement Proposed: Will commit to 131 points on the Build it Green checklist.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

5 unit phase 1 with 1 median BMR unit required within the phase.

25% increments built w/in 5 unit phase 3 with 1 BMR required	Total # of units built	reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid.
1	1	.25	.75	
2	3	.50	.25	
3	5	.75	0	

For permits pulled between June 30, 2009 to June 30, 2011:

If no permits were pulled prior to June 30, 2009, the applicant could eliminate the 1 median income unit within phase 3 if 3 units are commenced prior June 30, 2011. To eliminate the 1 median income unit in phase 4, the applicant would need to complete all units within phase 3 and pull 7 units within phase 4 prior to June 30, 2011.

12/08/2008

16:57

BUILDING ENTERPRISES INC ***** → 14087797236

NO.987

D02

Building Enterprises, Inc.
3111 Fallon Road
Hollister, CA 95023
831-637-9056

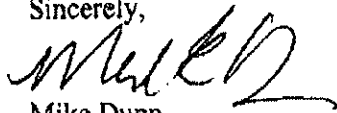
December 8, 2008

City of Morgan Hill
Attention: Terry Linder
Re: Villas of San Marcos

Dear Terry,

In reviewing the single family green point check list we are willing to commit to 131+ points on the BIG checklist. In return, we would like to have our permits fees deferred to be paid at close of escrow.

Sincerely,



Mike Dunn
President

PLANNING DEPT

NOV 10 2008

CITY OF MORGAN HILL

November 10, 2008

Planning Department
City of Morgan Hill
17555 Peak Avenue
Morgan Hill CA 95037-4128

Re: Villas of San Marcos

Dear Jim Row,

This is a request for a development approval amendment regarding Villas of San Marcos. We would like to participate in the reduction of BMR units required for this project and a deferral of fees per the City Council's request of participation.

If City Council approves this for Villas of San Marcos we will in turn participate in the 'Build It Green' initiative.

As you know the development community of Morgan Hill is in great need of support from the City Council. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Murray", written over a horizontal line.

Scott Murray

2. DAA 04-08: Tilton-Glenrock

212-units, 52 R-2 lots, 160 SFD/fully allocated.

Status

Completed: Phases 1-7; 163 units (15 low BMRs)

Incomplete: Phase 8 (20 units, FY 2006-07)/2 low BMRS required, 4 proposed
Phase 9 (15 units, FY 2007-08)/2 low BMRS required, 2 proposed
Phase 10(12 units, FY 2008-09)/2 low BMRS required, 0 proposed

Request:

1. Elimination of 4 BMRs within phase 8 (20 units). Note: The development agreement only requires 2 in phase 8. The RPD plan approved by Council included 4 BMRs (lots 1, 7, 17 & 18) within phase 8.
2. Elimination of the BMR model 130 on lots 1 & 7 and replaces them with market rate models 5 & 6.
3. BMRs proposed on lots 17 & 18 within phase 8; each will remain as the BMR model 130 but will be sold as market rate.
4. Deferral of the Tilton Ave. project frontage improvements which are currently required to be installed as part of phase 8 to phase 11. Note: Project does not have a phase 11.
5. Elimination of one of the two required BMRs within phase 9. The RPD plan approved by Council included 2 BMRs (lots 11 & 12) within phase 9.
6. Elimination of the BMR model 130 on lot 11 replace it with market rate model 6; lot 12 would remain as a BMR as a model 130.
7. Defer the Burnett Elementary School frontage improvements from phase 9 to Phase 11.
8. The costs for the Burnett Elementary School improvements be capped at \$243,000. Eliminate the nursery school site.
9. Wants to "pay the difference required under the partial BMR requirement."
10. 48 month extension of Phase 9 & 10 allocations

Enhancement Proposed:

- ✓ "...all new homes constructed within the next two years allow new homebuyers to choose their 'option(s)' which they determine will enhance their home....."
"These 'options' should include any measure C commitment that has been previously agreed."

2. DAA 04-08: Tilton-Glenrock Continued

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

20 unit phase 8 with 2 BMR units required within the phase.

25% increments built w/in 20 unit phase 8 with 2 BMRs required	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
5	5	.25	1.5	\$
5	10	.50	1.0	
5	15	.75	.5	\$
5	20	1.00	0	

For permits pulled between June 30, 2009 to June 30, 2011:

If no permits were pulled prior to June 30, 2009, the applicant could eliminate 1 of the low income unit within phase 8 if 10 units are commenced prior June 30, 2011.

If permits were pulled prior to June 30, 2009, to achieve the elimination of low BMR in Phase 9, the applicant would need to complete all units in Phase 8 and commence construction on 7 units within Phase 9 prior to June 30, 2011.

To achieve the elimination of 1 low BMR in Phase 10, the applicant would need to complete all units in Phase 9 and commence construction on at least 6 phase 10 units.

December 3, 2008

PLANNING DEPT.

DEC 04 2008

CITY OF MORGAN HILL

Terry Linder, Senior Planner

Planning Department

City of Morgan Hill

17555 Peak Avenue

Morgan Hill, CA 95037

Re: Development Agreement Amendment requests for BMR reduction

Dear Terry,

Thank you for our meeting yesterday. Not to be repetitive but "there is no more blood in the turnip" per Scott Schilling's email. I have discussed our mutual plight with other builders and have come to our own conclusion that if we modify our own Development Agreement to include two large plan 4s with granny units in place of Plan 3 or 2 and include them in this current phase we would be able to meet the 20% commitment for secondary units at Capriano. As stated in my November 4 letter we will also seal our HVAC ducts and enhance our irrigation system.

As I have stated in the past, this is the worst recession I have seen in my career. CNN has acknowledged that across the country one home builder every day files for bankruptcy...and there is NO bailout from the Federal Government. This financial crisis is crippling our industry, devastating our town and causing mass unemployment. It directly affects everyone.

Staff is asking for additional enhancements in lieu of the BMRs, especially in the "green" arena. In my discussions with other homebuilders we are very much "green" in our new homes and not because of Measure C or City requirements, but voluntarily by us as builders. It does not seem fair that during this crisis that you should only look for enhancements that increase the cost of our homes; I strongly believe that the City should review how it can continue to help in lowering the costs of each new homes we build.

I suggest that all new homes constructed within the next two years allow new homebuyers to choose their certain "option(s)" which they determine will enhance their home both environmentally and financially. These "options" should include any Measure C commitment that has been previously agreed.

Optional items that a buyer could chose:

1. Fire sprinklers
2. HERS programmable HVAC up to 12
3. Tankless water heaters
4. Solar/energy efficient lighting up to a 4kW system
5. Porches and balconies
6. Carbon monoxide hard wire
7. 24" box trees
8. Sound walls

In today's market, location is still the predominant reason a homebuyer purchases a new home. However price; now because of the foreclosure and short sales, becomes a very important consideration. If we can offer a significant number of options, especially those which are "green", we can do a service to the homebuyer and the environment. They will be able to choose. Personally, I would commit to this program; I would include in our models as much of the "green program" as possible.

Thank you.

A handwritten signature in black ink, appearing to read 'Locke', with a stylized flourish at the end.

Locke Garcia

Glenrock Builders, Inc.

November 4, 2008

Mr. Jim Rowe

Ms. Terry Linder

Community Development Department

17555 Peak Avenue

Morgan Hill CA 95037

PLANNING DEPT.

NOV 04 2008

CITY OF MORGAN HILL

Re: DDA; Participation in BMR reduction, other clean up issues

+ Zoning Amendment (RPD)

Dear Jim and Terry,

Thank you for your letter of October 30, 2008 re: BMR Reduction Plan. As we have been a participant in most of the discussions regarding the BMR reduction we are pleased the City is giving homebuilders an opportunity to "start again" in this unbelievable horrible housing market.

Parkside at Capriano has recorded two maps: Tract 9919 and Tract 9942. We have completed the offsite improvements on 44 lots and bonded for all improvements for the 3 lots on Tilton east of Dougherty. It is our intention, if our bank lends, to begin construction on Tract 9919 before April 30, 2009. This would entail all of Lots 1-20. Within this Tract/subdivision we have 4 BMRs of the six BMRs owed prior to our participation in the Reduction Program. Lot 1 & 2 original floor Plans will be changed to floor Plans 6 & 5 respectively. Lots 17 & 18 building plans (1515 sq. ft) will remain however these units will be sold as market rate units. In meeting the 5% BMR requirement for the balance of the 27 lots, Tract 9942 Lot 9-12 would remain a BMR and Lot 9-11 would be changed to a Plan 6. We will pay the difference required under the partial BMR requirement.

We are proposing "enhancements" to qualify for a public benefit by "going more green" and create as many granny units as possible in the large homes. Specifically, we will incorporate SEERS ducting methods which will seal our HVAC ducts in all units and have the work verified. We will mitigate and upgrade our landscape sprinkler system to each home to make it conserve water as much as reasonably possible. All Plan 3 homes will convert part of the garage to granny units. This will add 4 more grannies to our project.

With regards to clarifications and changes to our DDA we ask:

1. Change: 14 (o) (ii) "Prior to or as part of Phase 8, full frontage improvements (street, curb, gutter, sidewalk, storm, underground utilities) in front of the Berryessa, Silveria, and Morgante property and the entire project frontage (including nursery site) on Tilton shall be completed: TO: paragraph 14 (o) (ii) Prior to or as part of Phase 11, full frontage improvements (street, curb, gutter, sidewalk, storm,

DAA-04-08D/DSA-07-06C

ZAA-04-01

TILTON-GLENROCK

underground utilities) in front of the Berryessa, Silveria, Morgante property(ies) shall be completed." We have bonded the three lots west of the Berryessa, Silveria, and Morgante properties and have completed the entire frontage on Tilton west of Dougherty.

2. Change: 14 (o)(iv) Prior to or as part of Phase 9, full frontage improvements (street, curb, gutter, sidewalk, storm, underground utilities which are in the ROW on Tilton Avenue returning on Dougherty Avenue) in front of the Burnett Elementary School for a distance of approximately 598 ft in length shall be completed at a minimum cost of \$3000/unit. TO: "Prior to or as part of Phase 11 offsite frontage improvements (street, curb, gutter, sidewalk, storm, underground utilities which are in the ROW on Tilton Avenue returning on Dougherty Avenue) in front of the Burnett Elementary School for a maximum distance of 598' and a maximum cost of \$243,000." Per our Measure C application we committed to a maximum of \$3,000 per unit in this category; we have already installed and the City accepted school caution lights, engineering costs and other improvements to date in the approximate amount of \$89,000.

3. Lot 33 restrictions as a nursery to be removed and allow a Parcel Map to be record creating 2 lots. This restriction had a sunset clause that required us to attempt to sell/lease/build Lot 33 as a nursery school. Over the past 5 years we have had three inquiries; none qualified. Allowing us to build 2 large market rate homes will complete our Capriano project. It is necessary for us to include these "two lots" in our application to the Department of Real Estate.

4. As part of this DDA we believe we need approval to "lot line adjust" Lot 1 & 2 of Tract 9919 to reflect Plans 5 & 6 as shown on our exhibit.

As I understand we also need a Zoning Change to reflect some of the changes noted above. We will submit that package early next week. *ewb*

Thank you in advance for all your help.

Rocke Garcia



Glenrock Builders, Inc.

DAA-04-08D/DSA-07-06C
ZAA-04-01
TILTON-GLENROCK

3. DAA 04-09: E. Dunne-Jasper Park

78 units R-2 SFA/not fully allocated

Status

Completed: Phase 1 (8 units, FY 2005-06/ 1 low BMR),
Phase 2 (13 units, FY 2006-07/ 2 med. BMR+1 low BMR)
Phase 3 (13 units, FY 2007-08/ 1 med. BMR)

Incomplete: Phase 4 (6 units, FY 2008-09)/ 1 med. BMR
Phase 5 (8 units, FY 2009-10)/ 0 BMRs

Request:

1. City purchase of the completed BMR on lot 29.
2. Elimination of the 1 BMR in phase 4 on lot 39.

Enhancement Proposed:

- ✓ Will put people back to work and provide City fees.
- ✓ Project has paid 2.5 million in fees to the City and School Dist.
- ✓ Project has increased the property and sale tax base.
- ✓ Will commit to 92 points on the Build it Green Checklist.
- ✓ Will offer an "Optional Build-it Green" program where additional features can be added and paid for by the buyer.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

6 unit phase 4 with 1 BMR unit required within the phase.

25% increments built w/in 6 unit phase 4 with 1 BMR required	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid.
2	2	.25	.75	
2	4	.50	.50	\$
2	6	.75	.25	

For Permits pulled between June 30, 2009 to June 30, 2011:

If no permits were pulled prior to June 30, 2009, the applicant could eliminate 1 median BMR unit within phase 4 if 3 units are commenced prior June 30, 2011.

Since no BMRs are required in phase 5, no further reduction is possible.

LAPIDUS AND ASSOCIATES
REAL ESTATE DEVELOPMENT PLANNING

991 SOLANA COURT, MOUNTAIN VIEW, CA 94040
PHONE: 650-949-1529 FAX: 650-383-5007
DONLAPIDUS@EARTHLINK.NET

December 4, 2008

James Rowe, Planning Manager
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, CA 95037-4128

Project: Jasper Park, DA-04-09: E. DUNNE – DEMPSEY/ DELCO

Subject: Development Agreement Amendment (DAA), Request to Modify Below Market Rate (BMR) Home Requirements

Dear Jim,

As you know the home building business as well as the general economy in Morgan Hill, the State of California and the entire country is in a financial crises. To preserve what little opportunity we have left and help save the housing industry and avoid further deterioration of home values in Morgan Hill, the City Council requested staff to accept applications from builders to eliminate the requirement to provide BMRs in a phase of homes that "commenced construction" prior to April 30, 2009 and/ or the "Median" BMRs within phases that commenced construction prior to June 30, 2010. Furthermore, we have had a BMR available on Lot # 29 since July 1, 2008 (over 4 months). In all that time the City has not been able to provide a qualified buyer for this home. We have had to financially carry and maintain this home during said time, which has been an unfair burden to us. If there are no qualified buyers, there is no point in continuing to hold these homes. Furthermore, our bank loans a coming due and the only funds remaining to pay off these loans must come from the proceeds from these BMR sales. We need closure on this issue. If the City has not purchased this home by the January 27, 2009 Planning Commission meeting, we are requesting the BMR requirement to be removed from this home as well.

Therefore, we hereby request that the City approve a DAA to eliminate our requirement to provide a BMR on Lot #s 39 (which is in our next phase), the BMR on Lot # 29 (for which there are no qualified buyers) (See Paragraph 14 Section (I)(i) thru (vii) of the DA).

City Council approval of this request would benefit the City, and the citizens of Morgan Hill as follows:

1. Initially it will put people back to work both directly and indirectly and provide City fees. For reference, this project has already paid over \$2.6 million in fees to the City and School District plus an increased in the property and sales tax base;

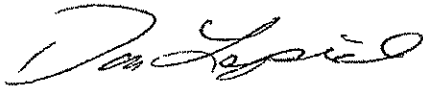
2. Additionally, if the builders can get the projects back on track, it would help stabilize the housing industry, which in turn would help solidify home values affecting many people in Morgan Hill;
3. DeNova Homes is a certified "Green Builder" and while 35 of the projects 49 allocated homes were built to meet green building standards they were not individually certified. The remaining 14 allocated lots have a complete set of approved plans, so there is a limit to what type and how many of the green features can be added. However the attached Build It Green (BIG) chart will show additional features (highlighted in purple) we would be providing together with a cost breakdown and the homes would be certified. We believe the City should be giving us credit for what we have already done on the completed homes as well as the additional features we are proposing. We can also incorporate an "Optional Build-it Green" program, where we offer such additional features that would be paid for by the Buyers providing we can do so by the time the prospective buyer enters into a purchase contract; and
4. As a result of the recession in the housing industry, we have had to reduce the prices of our homes over 30%, which should give many more qualified buyers in Morgan Hill an opportunity to buy a home.

To facilitate this request we are enclosing the following information:

1. A Uniform Application for the DAA;
2. A \$1,421.00 check for the processing fee; and
3. All the information required in the City's Filing Requirements for DAAs.

If you have any questions or need additional information, please contact me immediately and we will respond accordingly. Thank you for your time and consideration.

Sincerely,



Don Lapidus

cc: Kathleen Molloy Previsich
Dave Sanson
Terry Linder

GreenPoint Rated Checklist: Single Family

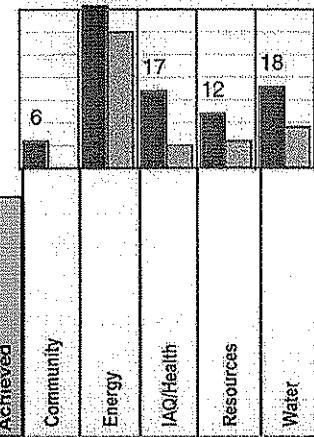


Build It Green
Smart Solutions From The Ground Up

Total Points Achieved: **92**

The GreenPoint Rated checklist tracks green features incorporated into the home. The recommended minimum requirements for a green home are: Earn a total of 50 points or more; obtain the following minimum points per category: Energy (30), Indoor Air Quality/Health (5), Resources (6), and Water (9); and meet the prerequisites A.3.a (50% construction waste diversion), J.1 (Exceed Title 24 by 15%), and N.1 (incorporate Green Points checklist in blueprints).

The green building practices listed below are described in the New Home Construction Green Building Guidelines, available at www.builditgreen.org. Build It Green is a non-profit organization providing the GreenPoint Rated program as a public service. Build It Green encourages local governments to leverage program resources to support voluntary, market-based programs and strategies.



Jasper Park, Morgan Hill

	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
A. SITE		Possible Points				
1. Protect Topsoil and Minimize Disruption of Existing Plants & Trees						
<input type="checkbox"/> a. Protect Topsoil from Erosion and Reuse after Construction	0	1				1
<input type="checkbox"/> b. Limit and Delineate Construction Footprint for Maximum Protection	0					1
<input type="checkbox"/> 2. Deconstruct Instead of Demolishing Existing Buildings On-Site	0				3	
3. Recycle Job Site Construction Waste (Including Green Waste)						
<input checked="" type="checkbox"/> a. Minimum 50% Waste Diversion by Weight (Recycling or Reuse) - Required	0				R	
<input type="checkbox"/> b. Minimum 65% Diversion by Weight (Recycling or Reuse)	0				2	
<input type="checkbox"/> c. Minimum 80% Diversion by Weight (Recycling or Reuse)	0				2	
4. Use Recycled Content Aggregate (Minimum 25%)						
<input type="checkbox"/> a. Walkway and Driveway	0				1	
<input checked="" type="checkbox"/> b. Roadway Base	1				1	
Total Points Available in Site = 12	1					
B. FOUNDATION		Points Available Per Measure				
1. Replace Portland Cement in Concrete with Recycled Flyash or Slag						
<input type="checkbox"/> a. Minimum 20% Flyash or Slag	0				1	
<input type="checkbox"/> b. Minimum 25% Flyash or Slag	0				1	
<input type="checkbox"/> 2. Use Frost-Protected Shallow Foundation in Cold Areas (C.E.C. Climate Zone 16)	0				3	
<input type="checkbox"/> 3. Use Radon Resistant Construction	0			1		
[*Points automatically granted when project qualifies for measure J3: ES with IAQ]						
4. Design and Build Structural Pest Controls						
<input type="checkbox"/> a. Install Termite Shields & Separate All Exterior Wood-to-Concrete Connections by Metal or Plastic Fasteners/Dividers	0				1	
[*Points automatically granted when project qualifies for measure J3: ES with IAQ]						
<input type="checkbox"/> b. All New Plants Have Trunk, Base, or Stem Located At Least 36 Inches from Foundation	0				1	
Total Points Available in Foundation = 8	0					
C. LANDSCAPING		Points Available Per Measure				
1. Construct Resource-Efficient Landscapes						
<input checked="" type="checkbox"/> a. No Invasive Species Listed by Cal-IPC Are Planted	1					1
<input checked="" type="checkbox"/> b. No Plant Species Will Require Hedging	1				1	
<input checked="" type="checkbox"/> c. 75% of Plants Are California Natives or Mediterranean Species or Other Appropriate Species	3					3
<input type="checkbox"/> 2. Use Fire-Safe Landscaping Techniques	0	1				
3. Minimize Turf Areas in Landscape Installed by Builder						
<input type="checkbox"/> a. All Turf Will Have a Water Requirement Less than or Equal to Tall Fescue (<= 0.8 plant factor)	0					2
<input checked="" type="checkbox"/> b. Turf Shall Not Be Installed on Slopes Exceeding 10% or in Areas Less than 8 Feet Wide	2					2
<input checked="" type="checkbox"/> c. Turf is <=33% of Landscaped Area (total 2 points)	2					2
<input type="checkbox"/> d. Turf is <=10% of Landscaped Area (total 4 points)	0					2
<input type="checkbox"/> 4. Plant Shade Trees	0					3

Jasper Park, Morgan Hill

	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
<input type="checkbox"/> 5. Group Plants by Water Needs (Hydrozoning)	0					2
6. Install High-Efficiency Irrigation Systems						
<input type="checkbox"/> a. System Uses Only Low-Flow Drip, Bubblers, or Low-flow Sprinklers	0					2
<input checked="" type="checkbox"/> b. System Has Smart (Weather-Based) Controllers	3					3
<input type="checkbox"/> 7. Incorporate Two Inches of Compost in the Top 6 to 12 Inches of Soil	0					3
<input type="checkbox"/> 8. Mulch All Planting Beds to the Greater of 2 Inches or Local Water Ordinance Requirement	0					2
<input type="checkbox"/> 9. Use 50% Salvaged or Recycled-Content Materials for 50% of Non-Plant Landscape Elements	0				1	
<input type="checkbox"/> 10. Reduce Light Pollution by Shielding Fixtures and Directing Light Downward	0	1				
Total Points Available in Landscaping = 31	12					
D. STRUCTURAL FRAME & BUILDING ENVELOPE		Points Available Per Measure				
1. Apply Optimal Value Engineering						
<input type="checkbox"/> a. Place Rafters and Studs at 24-Inch On Center Framing	0				1	
<input type="checkbox"/> b. Size Door and Window Headers for Load	0				1	
<input type="checkbox"/> c. Use Only Jack and Cripple Studs Required for Load	0				1	
2. Use Engineered Lumber						
<input type="checkbox"/> a. Beams and Headers	0				1	
<input type="checkbox"/> b. Insulated Engineered Headers	0		1			
<input checked="" type="checkbox"/> c. Wood I-Joists or Web Trusses for Floors	1				1	
<input type="checkbox"/> d. Wood I-Joists for Roof Rafters	0				1	
<input type="checkbox"/> e. Engineered or Finger-Jointed Studs for Vertical Applications	0				1	
<input checked="" type="checkbox"/> f. Oriented Strand Board for Subfloor	1				1	
<input checked="" type="checkbox"/> g. Oriented Strand Board for Wall and Roof Sheathing	1				1	
3. Use FSC-Certified Wood						
<input type="checkbox"/> a. Dimensional Lumber, Studs and Timber: Minimum 40%	0				2	
<input type="checkbox"/> b. Dimensional Lumber, Studs and Timber: Minimum 70%	0				2	
<input type="checkbox"/> c. Panel Products: Minimum 40%	0				1	
<input type="checkbox"/> d. Panel Products: Minimum 70%	0				1	
4. Use Solid Wall Systems (Includes SIPs, ICFs, & Any Non-Stick Frame Assembly)						
<input type="checkbox"/> a. Floors	0		2		2	
<input type="checkbox"/> b. Walls	0		2		2	
<input type="checkbox"/> c. Roofs	0		2		2	
5. Reduce Pollution Entering the Home from the Garage [*Points automatically granted when project qualifies for measure J3: ES with IAQ]						
<input checked="" type="checkbox"/> a. Tightly Seal the Air Barrier between Garage and Living Area	1			1		
<input type="checkbox"/> b. Install Garage Exhaust Fan OR Build a Detached Garage	0			1		
6. Design Energy Heels on Trusses (75% of Attic Insulation Height at Outside Edge of Exterior Wall)	0		1			
7. Design Roof Trusses to Accommodate Ductwork	0		1			
8. Use Recycled-Content Steel Studs for 90% of Interior Wall Framing	0				1	
9. Thermal Mass Walls: 5/8-Inch Drywall on All Interior Walls or Walls Weighing more than 40 lb/cu.ft.	0		1			
10. Install Overhangs and Gutters						
<input checked="" type="checkbox"/> a. Minimum 16-Inch Overhangs and Gutters [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	1				1	
<input checked="" type="checkbox"/> b. Minimum 24-Inch Overhangs and Gutters	1		1			
Total Points Available in Structural Building Frame and Envelope = 36	6					
D. EXTERIOR FINISH		Points Available Per Measure				
<input type="checkbox"/> 1. Use Recycled-Content (No Virgin Plastic) or FSC-Certified Wood Decking	0				2	
2. Install a Rain Screen Wall System	0				2	
<input checked="" type="checkbox"/> 3. Use Durable and Non-Combustible Siding Materials	1				1	
<input checked="" type="checkbox"/> 4. Use Durable and Non-Combustible Roofing Materials	2				2	

Jasper Park, Morgan Hill

		Points Achieved	Community	Energy	IAQ/Health	Resources	Water
Total Points Available in Exterior Finish = 7		3					
F. INSULATION			Points Available Per Measure				
1. Install Insulation with 75% Recycled Content							
<input type="checkbox"/>	a. Walls and Floors	0				1	
<input type="checkbox"/>	b. Ceilings	0				1	
2. Install Insulation that is Low-Emitting (Certified Section 01350)							
<input checked="" type="checkbox"/>	a. Walls and Floors	1			1		
<input checked="" type="checkbox"/>	b. Ceilings	1			1		
3. Inspect Quality of Insulation Installation before Applying Drywall [*Points automatically granted when project qualifies for measure J3: ES with IAQ]		1		1			
Total Points Available in Insulation = 5		3					
G. PLUMBING			Points Available Per Measure				
1. Distribute Domestic Hot Water Efficiently (Additive, Maximum 7 Points)							
<input checked="" type="checkbox"/>	a. Insulate Hot Water Pipes from Water Heater to Kitchen	2		1			1
<input type="checkbox"/>	b. Insulate All Hot Water Pipes	0		1			1
<input type="checkbox"/>	c. Use Engineered Parallel Piping	0					1
<input type="checkbox"/>	d. Use Engineered Parallel Piping with Demand Controlled Circulation Loop	0					1
<input type="checkbox"/>	e. Use Structured Plumbing with Demand Controlled Circulation Loop	0		1			2
<input type="checkbox"/>	f. Use Central Core Plumbing	0		1		1	1
2. Install Only High Efficiency Toilets (Dual-Flush or ≤ 1.28 gpf)		4					4
Total Points Available in Plumbing = Total 11		6					
H. HEATING, VENTILATION & AIR CONDITIONING			Points Available Per Measure				
1. Design and Install HVAC System to ACCA Manual J, D, and S Recommendations [*Points automatically granted when project qualifies for measure J3: ES with IAQ]		0		4			
2. Install Sealed Combustion Units [*Points automatically granted when project qualifies for measure J3: ES with IAQ]							
<input type="checkbox"/>	a. Furnaces	0			2		
<input checked="" type="checkbox"/>	b. Water Heaters	2			2		
3. Install Zoned, Hydronic Radiant Heating		0		1	1		
4. Install High Efficiency Air Conditioning with Environmentally Responsible Refrigerants		1	1				
5. Design and Install Effective Ductwork [*5b,d,&e are automatically granted when project qualifies for measure J3: ES with IAQ]							
<input type="checkbox"/>	a. Install HVAC Unit and Ductwork within Conditioned Space	0		3			
<input type="checkbox"/>	b. Use Duct Mastic on All Duct Joints and Seams	0		1			
<input type="checkbox"/>	c. Install Ductwork under Attic Insulation (Buried Ducts)	0		1			
<input type="checkbox"/>	d. Pressure Relieve the Ductwork System	0		1			
<input type="checkbox"/>	e. Protect Ducts during Construction and Clean All Ducts before Occupancy	0		1			
6. Install High Efficiency HVAC Filter (MERV 6+) [*Points automatically granted when project qualifies for measure J3: ES with IAQ]		0			1		
7. Don't Install Fireplaces or Install Sealed Gas Fireplaces with Efficiency Rating NOT Less Than 60% using CSA Standards		1			1		
8. Install Effective Exhaust Systems in Bathrooms and Kitchens [*8a&c are automatically granted when project qualifies for measure J3: ES with IAQ]							
<input type="checkbox"/>	a. Install ENERGY STAR Bathroom Fans Vented to the Outside	0			1		
<input type="checkbox"/>	b. All Bathroom Fans Are on Timer or Humidistat	0			1		
<input checked="" type="checkbox"/>	c. Install Kitchen Range Hood Vented to the Outside	1			1		
9. Install Mechanical Ventilation System for Cooling (Max. 4 Points)							
<input type="checkbox"/>	a. Install ENERGY STAR Ceiling Fans & Light Kits in Living Areas & Bedrooms	0		1			
<input type="checkbox"/>	b. Install Whole House Fan with Variable Speeds	0		1			
<input type="checkbox"/>	c. Automatically Controlled Integrated System	0		2			

Jasper Park, Morgan Hill

	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
<input type="checkbox"/> d. Automatically Controlled Integrated System with Variable Speed Control	0		3			
10. Install Mechanical Fresh Air Ventilation System (Maximum 3 Points)						
<input type="checkbox"/> a. Any Whole House Ventilation System That Meets ASHRAE 62.2	0			2		
<input type="checkbox"/> b. Install Air-to-Air Heat Exchanger that meets ASHRAE 62.2 [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	0		1	2		
<input checked="" type="checkbox"/> 11. Install Carbon Monoxide Alarm(s) [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	1			1		
Total Points Available in Heating, Ventilation and Air Conditioning = 30	6					
I. RENEWABLE ENERGY		Points Available Per Measure				
<input checked="" type="checkbox"/> 1. Pre-Plumb for Solar Hot Water Heating	0		4			
<input checked="" type="checkbox"/> 2. Install Solar Water Heating System	0		10			
<input checked="" type="checkbox"/> 3. Install Wiring Conduit for Future Photovoltaic Installation & Provide 200 ft ² of South-Facing Roof	2		2			
4. Install Photovoltaic (PV) Panels						
<input type="checkbox"/> a. 30% of electric needs OR 1.2 kW (total 6 points)	0		6			
<input type="checkbox"/> b. 60% of electric needs OR 2.4 kW (total 12 points)	0		6			
<input type="checkbox"/> c. 90% of electric need OR 3.6 kW (total 18 points)	0		6			
Total Available Points in Renewable Energy = 28	2					
J. BUILDING PERFORMANCE		Points Available Per Measure				
1. Diagnostic Evaluations						
<input checked="" type="checkbox"/> a. House Passes Blower Door Test [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	1		1			
<input type="checkbox"/> b. House Passes Combustion Safety Backdraft Test	0			1		
15% 2. Design and Build High Performance Homes - 15% above Title 24 - Required	30		≥30			
<input type="checkbox"/> 3. House Obtains ENERGY STAR with Indoor Air Package Certification - Pilot Measure (Total 45 points; read comment)	0			5	2	
Total Available Points in Building Performance = 109	31					
K. FINISHES		Points Available Per Measure				
<input type="checkbox"/> 1. Design Entryways to Reduce Tracked in Contaminants	0			1		
2. Use Low-VOC or Zero-VOC Paint (Maximum 3 Points)						
<input checked="" type="checkbox"/> a. Low-VOC Interior Wall/Ceiling Paints (<50 gpl VOCs (Flat) & <150 gpl VOCs (Non-Flat))	1			1		
<input type="checkbox"/> b. Zero-VOC: Interior Wall/Ceiling Paints (<5 gpl VOCs (Flat))	0			3		
<input checked="" type="checkbox"/> 3. Use Low VOC, Water-Based Wood Finishes (<250 gpl VOCs)	2			2		
<input checked="" type="checkbox"/> 4. Use Low-VOC Caulk and Construction Adhesives (<70 gpl VOCs) for All Adhesives	2			2		
<input type="checkbox"/> 5. Use Recycled-Content Paint	0				1	
6. Use Environmentally Preferable Materials for Interior Finish: A) FSC-Certified Wood, B) Reclaimed, C) Rapidly Renewable, D) Recycled-Content or E) Finger-Jointed						
<input type="checkbox"/> a. Cabinets (50% Minimum)	0				1	
<input type="checkbox"/> b. Interior Trim (50% Minimum)	0				1	
<input type="checkbox"/> c. Shelving (50% Minimum)	0				1	
<input type="checkbox"/> d. Doors (50% Minimum)	0				1	
<input type="checkbox"/> e. Countertops (50% Minimum)	0				1	
7. Reduce Formaldehyde in Interior Finish (CA Section 01350)						
<input type="checkbox"/> a. Subfloor & Stair Treads (90% Minimum)	0			1		
<input type="checkbox"/> b. Cabinets & Countertops (90% Minimum)	0			1		
<input type="checkbox"/> c. Interior Trim (90% Minimum)	0			1		
<input type="checkbox"/> d. Shelving (90% Minimum)	0			1		
<input type="checkbox"/> 8. After Installation of Finishes, Test of Indoor Air Shows Formaldehyde Level <27 ppb	0			3		
Total Available Points in Finishes = 21	5					
L. FLOORING		Points Available Per Measure				

Jasper Park, Morgan Hill

		Points Achieved	Community	Energy	IAQ/Health	Resources	Water
1. Use Environmentally Preferable Flooring: A) FSC-Certified Wood, B) Reclaimed or Refinished, C) Rapidly Renewable, D) Recycled-Content, E) Exposed Concrete. <i>Flooring Adhesives Must Have <70 gpl VOCs.</i>							
<input type="checkbox"/>	a. Minimum 15% of Floor Area	0				1	
<input type="checkbox"/>	b. Minimum 30% of Floor Area	0				1	
<input type="checkbox"/>	c. Minimum 50% of Floor Area	0				1	
<input type="checkbox"/>	d. Minimum 75% of Floor Area	0				1	
2. Thermal Mass Floors: Floor Covering Other than Carpet on 50% or More of Concrete Floors		0		1			
<input checked="" type="checkbox"/>	3. Flooring Meets Section 01350 or CRI Green Label Plus Requirements (50% Minimum) [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	2			2		
Total Available Points in Flooring = 7		2					
M. APPLIANCES AND LIGHTING			Points Available Per Measure				
1. Install Water and Energy Efficient Dishwasher							
<input checked="" type="checkbox"/>	a. ENERGY STAR (total 1 point)	1		1			
<input checked="" type="checkbox"/>	b. Dishwasher Uses No More than 6.5 Gallons/Cycle (total 2 points)	1					1
2. Install ENERGY STAR Clothes Washing Machine with Water Factor of 6 or Less							
<input type="checkbox"/>	a. Meets Energy Star and CEE Tier 2 requirements (modified energy factor 2.0, Water Factor 6.0 or less) (total 3 points)	0		1			2
<input type="checkbox"/>	b. Meets Energy Star and CEE Tier 3 requirements (modified energy factor 2.2, Water Factor 4.5 or less) (total 5 points)	0					2
3. Install ENERGY STAR Refrigerator							
<input type="checkbox"/>	a. ENERGY STAR Qualified & < 25 Cubic Feet Capacity	0		1			
<input type="checkbox"/>	b. ENERGY STAR Qualified & < 20 Cubic Feet Capacity	0		1			
4. Install Built-In Recycling Center and Composting Center							
<input checked="" type="checkbox"/>	a. Built-In Recycling Center	2				2	
<input type="checkbox"/>	b. Built-In Composting Center	0				1	
Total Available Points in Appliances and Lighting = 12		4					
N. OTHER			Points Available Per Measure				
<input checked="" type="checkbox"/>	1. Incorporate GreenPoint Rated Checklist in Blueprints. <i>Required</i>	0				R	
<input checked="" type="checkbox"/>	2. Develop Homeowner Manual of Green Features/Benefits [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	3		1	1		1
Total Available Points in Other = 3		3					
O. COMMUNITY DESIGN & PLANNING (maximum 20 points in this section)							
1. Develop Infill Sites							
<input checked="" type="checkbox"/>	a. Project is Located in a Built Urban Setting with Utilities in Place for Fifteen Years	2	1			1	
<input checked="" type="checkbox"/>	b. Development is Located within 1/2 Mile of a Major Transit Stop	2	2				
2. Cluster Homes & Keep Size in Check							
<input type="checkbox"/>	a. Cluster Homes for Land Preservation	0	1			1	
<input type="checkbox"/>	b. Conserve Resources by Increasing Density (10 Units per Acre or Greater)	0	2			2	
<input type="checkbox"/>	c. Home Size Efficiency	0				9	
0	3. Subdivision Layout & Orientation to Improve Natural Cooling and Passive Solar Attributes	0	3	7			
4. Design for Walking & Bicycling							
<input type="checkbox"/>	a. Pedestrian Access to 5 or More Neighborhood Services within 1/2 Mile: 1) Community Center/Library; 2) Grocery Store; 3) School; 4) Day Care; 5) Laundry; 6) Medical; 7) Entertainment/Restaurants; 8) Post Office; 9) Place of Worship; 10) Bank	0	2				
<input checked="" type="checkbox"/>	b. Development is Connected with A Dedicated Pedestrian Pathway to Places of Recreational Interest within 1/4 mile	1	1				
<input type="checkbox"/>							

Jasper Park, Morgan Hill

	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
<input type="checkbox"/> c. At Least Two of the Following Traffic-Calming Strategies: - Designated Bicycle Lanes are Present on Roadways; - Ten-Foot Vehicle Travel Lanes; - Street Crossings Closest to Site are Located Less Than 300 Feet Apart; - Streets Have Rumble Strips, Bulbouts, Raised Crosswalks or Refuge Islands	0	2				
5. Design for Safety & Social Gathering						
<input type="checkbox"/> a. All Home Front Entrances Have Views from the Inside to Outside Callers	0	1				
<input checked="" type="checkbox"/> b. All Home Front Entrances Can be Seen from the Street and/or from Other Front Doors	1	1				
<input type="checkbox"/> c. Orient Porches (min. 100sf) to Streets and Public Spaces	0	1				
6. Design for Diverse Households						
<input type="checkbox"/> a. All Homes Have at Least One Zero-Step Entrance	0	1				
<input type="checkbox"/> b. All Main Floor Interior Doors & Passageways Have a Minimum 32-Inch Clear Passage Space	0	1				
<input type="checkbox"/> c. Locate at Least a Half-Bath on the Ground Floor with Blocking in Walls for Grab Bars	0	1				
<input type="checkbox"/> d. Provide Full-Function Independent Rental Unit	0	1				
Total Achievable Points in Community Design & Planning = 20		6				
P. INNOVATION (maximum 20 points in this section)		Possible Points				
A. Site						
<input type="checkbox"/> 1. Reduce Heat-Island Effect - Install light-colored, high albedo materials (solar reflectance index >= 0.3) for at least 50% of site's non-roof impervious surfaces	0	1				
<input type="checkbox"/> 2. Build on Designated brownfield site	0	3				
B. Foundation (*Points automatically granted when project qualifies for measure J3: ES with IAQ)						
<input type="checkbox"/> 1. Install a Foundation Drainage System	0				2	
<input type="checkbox"/> 2. Sealed and Moisture Controlled Crawlspace	0			2		
C. Landscaping						
<input type="checkbox"/> 1. Meets Bay-Friendly Landscape Program Requirement	0					4
<input type="checkbox"/> 2. Meets California-Friendly Landscape Program Requirement	0					4
3. Rain Water Harvesting System (1 point for <350 gallons; 2 points for > 350 gallons)						2
<input type="checkbox"/> a. Less than 350 gallon capacity	0					1
<input type="checkbox"/> b. Greater than 350 gallon capacity	0					2
<input type="checkbox"/> 4. Assess Site Climate, Exposure, Topography, and Drainage	0					1
<input type="checkbox"/> 5. Perform a Soil Analysis	0					1
<input type="checkbox"/> 6. Irrigation System Uses Recycled Wastewater	0					1
<input type="checkbox"/> 7. FSC Certified, Recycled Plastic or Composite Lumber - Fencing: 70%	0				1	
D. Structural Frame and Building Envelope						
1. Design, Build and Maintain Structural Pest and Rot Controls						
<input type="checkbox"/> a. Locate All Wood (Siding, Trim, Structure) At Least 12" Above Soil	0				1	
<input type="checkbox"/> b. All Wood Framing 3 Feet from the Foundation is Treated with Borates (or Use Factory-Impregnated Materials) OR Walls are Not Made of Wood	0			1		
<input checked="" type="checkbox"/> 2. Use Moisture Resistant Materials in Wet areas of Kitchen, Bathrooms, Utility Rooms, and Basements (*Points automatically granted when project qualifies for measure J3: ES with IAQ)	1			1		
3. Use FSC Certified Engineered Lumber (3 points maximum)						
<input type="checkbox"/> a. Beams and Headers	0				1	
<input type="checkbox"/> b. Insulated Engineered Headers	0				1	
<input type="checkbox"/> c. Wood I-Joists or Web Trusses for Floors	0				1	
<input type="checkbox"/> d. Wood I-Joists for Roof Rafters	0				1	
<input type="checkbox"/> e. Engineered or Finger-Jointed Studs for Vertical Applications	0				1	
<input type="checkbox"/> f. Roof Trusses: 100%	0				1	
4. FSC Certified Wood						
<input type="checkbox"/> a. Dimensional Lumber, Studs and Timber: 100%	0				2	
<input type="checkbox"/> b. Panel Products: 100%	0				2	

Jasper Park, Morgan Hill

	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
E. Exterior Finish						
<input type="checkbox"/> 1. Green Roofs (25% of roof area minimum)	0	1	1			
<input type="checkbox"/> 2. Flashing Installation Techniques Specified	0				1	
[*Points automatically granted when project qualifies for measure J3: ES with IAQ]						
F. Insulation						
G. Plumbing						
<input type="checkbox"/> 1. Graywater Pre-plumbing (includes washing machine at minimum)	0					1
<input type="checkbox"/> 2. Graywater System Operational (includes washing machine at minimum)	0					2
<input type="checkbox"/> 3. Innovative Wastewater Technology (Constructed Wetland, Sand Filter, Aerobic System)	0					1
<input type="checkbox"/> 4. Composting or Waterless Toilet	0					2
<input type="checkbox"/> 5. Install Drain Water Heat-recovery System	0		1			
<input type="checkbox"/> 6. Install Water Efficient Fixtures						
<input type="checkbox"/> a. Showerheads or Shower Towers Use <2.0 Gallons Per Minute (GPM) Total	0					1
<input type="checkbox"/> b. Faucets - bathrooms <1.5 gpm	0					1
<input type="checkbox"/> c. Faucets - Kitchen & Utility <2.0 gpm	0					1
H. Heating, Ventilation, and Air Conditioning						
<input type="checkbox"/> 1. Humidity Control Systems (only in California humid/marine climate zones 1,3,5,6,7)	0			1		
I. Renewable Energy						
<input type="checkbox"/> 1. Extraordinary Passive Solar Design (> 50% of load) That is Not Already Reflected in T-24 Modeling	0		5			
J. Building Performance						
<input type="checkbox"/> 1. Test Total Supply Air Flow Rates	0		1			
K. Finishes						
1. Use Environmentally Preferable Materials for Interior Finishes						
<input type="checkbox"/> a. Cabinets (80% minimum)	0				1	
<input type="checkbox"/> b. Interior Trim (80% minimum)	0				1	
<input type="checkbox"/> c. Shelving (80% minimum)	0				1	
<input type="checkbox"/> d. Doors (80% minimum)	0				1	
<input type="checkbox"/> e. Countertops (80% minimum)	0				1	
L. Flooring						
<input type="checkbox"/> 1. Flooring Meets Section 01350 or CRI Green Label Plus Requirements (80% Minimum)	0			1		
[*Points automatically granted when project qualifies for measure J3: ES with IAQ]						
M. Appliances						
N. Other						
<input type="checkbox"/> 1. Homebuilder's Management Staff are Certified Green Building Professionals	0	1				
<input type="checkbox"/> 2. Detailed Durability Plan	0				2	
[*Points automatically granted when project qualifies for measure J3: ES with IAQ]						
<input type="checkbox"/> 3. Third-Party Verification of Implementation of Durability Plan	0				2	
<input type="checkbox"/> 4. Materials Sourced, Processed and Manufactured Within a 500 Mile Radius of the Home	0	1				
<input checked="" type="checkbox"/> 5. Comprehensive Owner's Manual and Homeowner Educational Walkthroughs	1		1			
Total Achievable Points in Innovation = 20		2				
Summary						
Total Available Points in Specific Categories		32	193	51	103	71
Minimum Points Required in Specific Categories		0	30	5	6	9
Total Points Achieved		92	6	39	17	18

Project has met all recommended minimum requirements

- Total Project Score of At Least 50 Points
- Required measures:

Jasper Park, Morgan Hill

Points
Achieved

Community

Energy

IAQ/Health

Resources

Water

- A3a: 50% waste diversion by weight
- J2: 15% above Title 24
- N1: Incorporate GreenPoint Rated Checklist into blueprints
- Minimum points in specific categories:
 - Energy (30 points)
 - IAQ/Health (5 points)
 - Resources (6 points)
 - Water (9 points)
- Maximum 20 points pursued under Community Design and Planning
- Maximum 20 points pursued under Innovation

Jasper Park

Extra Costs for "Green" Building

Item #	Description	Cost/unit
C.6.b	Weather-based Controller	\$60
D.5.a	Seal Air Barrier	\$100
F.3, J.1.a & J.2	Insulation Inspection, Blower Door Test – HERS Testing	\$300
G.1.a	Insulate Hot Water Pipes to kitchen	\$100
G.2	Dual Flush	\$300
I.3.	Solar Prep	\$150
M.4.a	Recycling Center	\$100
N.1. & 2	Plans and Manuals	\$70
P.N.5	Extra Walkthrough info/ Sales Seminar	\$0
		<u>\$1,180</u> per unit

APIDUS AND ASSOCIATE
REAL ESTATE DEVELOPMENT PLANNING

991 SOLANA COURT, MOUNTAIN VIEW, CA 94040
PHONE: 650-949-1529 FAX: 650-383-5007
DONLAPIDUS@EARTHLINK.NET

November 7, 2008

PLANNING DEPT.

NOV 07 2008

CITY OF MORGAN HILL

James Rowe, Planning Manager
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, CA 95037-4128

Project: Jasper Park, DA-04-09: E. DUNNE – DEMPSEY/ DELCO

Subject: Development Agreement Amendment (DAA), Request to Modify Below Market Rate
(BMR) Home Requirements

Dear Jim,

As you know the home building business as well as the general economy in Morgan Hill, the State of California and the entire country is in a financial crises. To preserve what little opportunity we have left and help save the housing industry and avoid further deterioration of home values in Morgan Hill, the City Council requested staff to accept applications from builders to eliminate the requirement to provide BMRs in a phase of homes that "commenced construction" prior to April 30, 2009 and/ or the "Median" BMRs within phases that commenced construction prior to June 30, 2010. Furthermore, we have had a BMR available on Lot # 29 since July 1, 2008 (over 4 months). In all that time the City has not been able to provide a qualified buyer for this home. We have had to financially carry and maintain this home during said time, which has been an unfair burden to us. If there are no qualified buyers, there is no point in continuing to hold these homes. Furthermore, our bank loans a coming due and the only funds remaining to pay off these loans must come from the proceeds from these BMR sales. We need closure on this issue.

Therefore, we hereby request that the City approve a DAA to eliminate our requirement to provide a BMR on Lot #s 39 (which is in our next phase), 64, 77, the BMR on Lot # 29 (for which there are no qualified buyers) (See Paragraph 14 Section (I)(i) thru (vii) of the DA).

City Council approval of this request would benefit the City, and the citizens of Morgan Hill. Initially it will put people back to work both directly and indirectly and provide City fees. For reference, this project has already paid over \$2.6 million in fees to the City and School District plus an increased in the property and sales tax base. Additionally, if the builders can get the projects back on track, it would help stabilize the housing industry, which in turn would help solidify home values affecting many people in Morgan Hill. Finally, DeNova Homes is a certified "Green Builder" and while the homes may not meet the current City standard for green building they incorporate many of the elements considered.

To facilitate this request we are enclosing the following information:

1. A Uniform Application for the DAA;
2. A \$2,583.00 check for the processing fee; and
3. All the information required in the City's Filing Requirements for DAAs.

If you have any questions or need additional information, please contact me immediately and we will respond accordingly. Thank you for your time and consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Don Lapidus", written in a cursive style.

Don Lapidus

cc: Kathleen Molloy Previsich
Dave Sanson

4. DAA 05-01: Mission Ranch

328 units R-1 SFD/not fully allocated

Status

Completed: Phase 1-9b (227 units, FY 1996-2007/29 BMRs),

Incomplete: Phase 10 (17 units, FY 2007-08)/ 2 low BMRs
Phase 11 (15 units, FY 2008-09)/ 2 low BMRs
Phase 12 (15 units, FY 2009-10)/ 2 low BMRs

Request:

1. Elimination of the 2 BMRS in phase 10 if started by 4/30/09
2. Reduce the 10% low commitment to 5% low for all phases pulled between 5/1/09-6/30/10
3. Amend DS "pull BP" date for Phase 10 by 6 mos. and Phase 11 by 2 mos.
4. Amend DA "commencement date" for Phase 10 by 6 mos. and Phase 11 by 2 mos.

Enhancement Proposed:

- ✓ Convert D plan to include 2'dus (2 are in phase 10)
- ✓ Will commit to 90 points on the Build it Green Checklist.
- ✓ Will offer an "Optional Build-it Green" program where additional features can be added and paid for by the buyer.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

17 unit phase 10 with 2 BMR units required within the phase.

25% increments built w/in 17 unit phase 10 with 2 BMRs required	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
4	4	.25	1.5	\$
5	9	.50	1.0	
4	3	.75	.5	\$
4	17	1.00	0	

For Permits pulled between June 30, 2009 to June 30, 2011:

If no permits were pulled prior to June 30, 2009, the applicant could eliminate 1 of the low income unit within phase 10 if 8 units are commenced prior June 30, 2011.

If permits were pulled prior to June 30, 2009, to achieve the elimination of 1 low BMR in Phase 11, the applicant would need to complete all units in Phase 10 and commence construction on 8 units within Phase 11 prior to June 30, 2011. To achieve the elimination of 1 BMR in Phase 12, the applicant would need to complete all units in Phase 11 and commence construction on at least 8 phase 12 units prior to June 30, 2011.

DIVIDEND HOMES, INC.
385 WOODVIEW AVE., SUITE 100
MORGAN HILL, CA 95035
(408) 779-5900 FAX (408) 779-3840
"roliver@dividendhomes.com"

December 5, 2008

Ms. Terry Linder
Community Development – City of Morgan Hill
17555 Peak Ave.
Morgan Hill, CA 95037

Re: BMR Revisions – Amended Development Agreements
Alicante Phase - MC 04-25 Mallorca - MC 04-27
Mission Ranch - MC 04-26 San Savigno – MC 04-19

Dear Terry:

This letter will supplement the four letters, referencing the above four projects, dated November 3, 2008 and sent to Jim Rowe. You have emailed us and asked for us to be more specific in reference to the Build-it Green Program.

I have spoken with Scott Schilling, Don Lapidus and Rocke Garcia and have determined that we each have different circumstances which are unique to our respective projects. I do not believe that there is "one size fits all" response. After reviewing what the others can or cannot do, I can only represent to you what we are able to do for our four projects.

The working drawings for all four of our projects have been completed, and in most cases have been submitted and plan checked. The cost involved in preparing new plans and changing features would be a significant cost which would defeat the whole purpose of the BMR reduction which is necessary for us to proceed in today's financial constraints.

We can meet the Secondary Dwelling Unit additions that were outlined in our November 3rd letters for Mission Ranch and the Alicante Projects. We would prefer not making the changes to the Mallorca or San Savino Projects to include the Secondary Dwelling Units, though we can do that if absolutely necessary. We can commit to achieving 90 points on the Build-it Green check list, recognizing that this will cost us approximately an additional \$1800/unit to equate to the Viento Project as it has been built to-date, plus an additional \$1200/unit to bring it up the 90 points that has been suggested by DeNova. We can also incorporate an "Optional Build-it Green" program, as suggested by Rocke, where we offer such additional features to be paid by the Buyers providing we can do so by the time the prospective buyer enters into a purchase contract. The additional costs for making greater commitments just cannot be absorbed or justified at this time, or for the projected period through June 30th of 2010.

Very truly yours,

DIVIDEND HOMES, INC.

Dick

By: Richard B. Oliver, President

MISSION RANCH LP
385 WOODVIEW AVE., SUITE 105
MORGAN HILL, CA 95037
(408) 779-5900 FAX (408) 779-3840
"roliver@dividendhomes.com"

PLANNING DEPT.

NOV 04 2008

CITY OF MORGAN HILL

November 3, 2008

Mr. James Rowe
Planning Manager
City of Morgan Hill – Community Development
17555 Peak Ave.
Morgan Hill, CA 95037

Re: Amend Development Agreement - Mission Ranch Phase 10 – MC 04-26

Dear Jim:

We are submitting herewith an Application to Amend the Development Agreement, for the project referred to above, pursuant to City Council Action of October 15, 2008, regarding the interim reduction in the BMR requirements.

Phase 10 of the Mission Project includes two BMR Units (1 Low and 1 Median) and 2 Moderate Rate Units in a Modified Set-Back configuration on lots that are approximately 3500 square feet in size, in a Project where the R-1 detached lots are approximately 8,000 square feet and larger.

We respectfully request that the Development Agreement for this Project be amended to provide for the elimination of the BMR status for these two homes, providing, commencement of construction has started by April 30, 2009. In the event that we have not met this schedule, then the request would be to reduce the BMR requirement to 5% Low, from its present requirement of 5% Low plus 8% Median, for all phases of this project which have met a "Commencement of Construction Date" of June 30, 2010.

We are hopeful that the lending situation and the real estate market will be such that we can meet these dates and get the Project started once again.

In return for this concession by the City, we propose to have this Project include the following modifications:

1. We will construct each Plan D unit to include minimum kitchen facilities and a separate bedroom and bath so as to be classified as a "Granny" or "Secondary Dwelling Unit". There are 2 Plan D homes in Phases 10.
2. In addition we would add "Seers" testing to all homes to be built during this period. This would assure ducts being "tight", with a subsequent reduction in gas and electric usage

DAA-05-01D: COCHRANE-
MISSION RANCH
(SD-05-01)

3. In addition, we would add a solar electrical panels to supply the electrical power for the lights in the main common area park. Since the main park is quite large with numerous lights. This commitment is significant.

Since we are processing a Development Agreement, which is costly to both us and the City, and due to the extreme problems in the economy and in the lending arena at this time, we respectfully ask for an additional extensions to the issuance of permits and commencement of construction for Phase 10 and 11, just in case these market and lending constraints prevent us from meeting the dates currently set forth in the Amended Development Agreement for Mission Ranch. That would provide some leeway to avoid having to file another Application for extensions in the event we are prevented from starting Phases 10 and 11 as we plan. The specific extension request is: (a) for Phase 10, extend the date for Permit issued: from 4/30/09 to 10/30/2009; and, Commencement of Construction: from 5/30/2009 to 11/30/2009; and, (b) for Phase 11, extend the date for Permit Issued from 3/30/2010 to 5/30/2010 and the Commencement of Construction from 4/20/2010 to 6/30/2010. We understand that if we do not meet the 4/30/09 and/or 6/30/2010 dates, that the Council's October 15, 2008 reduction in BMR requirements would not be met

We greatly appreciate your consideration and support. If you have suggestions or other ideas to meet the intent of the Council's approval on October 15, 2008, please advise me, so we might set up a meeting to reach a consensus.

Thank you.

Very truly yours,

Mission Ranch, LP
By: Mission Ranch LLC
General Partner
By: Dividend Homes, Inc.
General Manager



By: Richard B. Oliver
President

5. DAA 05-02: Cochrane-Lupine

90 units SFD/not fully allocated

Status

Completed: Phase 1(11 units, FY 2004-05)/3 Low BMRs
Phase 2(15 units, FY 2005-06)/1 Low BMR
Phase 3a (12 units, FY 2006-07)/2 Low BMRs

Incomplete: Phase 3b (18 units, FY 2006-2007)/ 2 Median BMRs,
Phase 4 (6 units, FY 2007-2008)/ 0 BMR
Phase 5 (12 units, FY 2008-2009)/ 1 Low/1 Median BMR,

Request:

1. Split phase 3b into B & C with 11 & 7 allocations respectively
2. Eliminate 2 BMRS for phase 3b if started by 4/30/09
3. 5% low BMRs for all phases pulled between 5/1/09-6/30/10
4. Amend DS "pull BP" date for Phase 3b by 7 mos. from 4/30/2009 to 11/30/2009
5. Amend DA "commencement date" for Phase 3b by 6 mos. from 6/30/2009-12/31/2009

Enhancement Proposed:

- ✓ Convert plan 6 to include 2'dus (3 are in phases 3b & c)
- ✓ Convert plan 3 or 4 to include 2'dus (4 are in phases 3b & c)
- ✓ Will commit to 90 points on the Build it Green Checklist.
- ✓ Will offer an "Optional Build-it Green" program where additional features can be added and paid for by the buyer.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

18 unit phase 3b & c with 2 BMR units required within the phase.

25% increments built w/in 18 unit phase 3b & c with 2 BMRs required	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
5	5	.25	1.5	\$
4	9	.50	1.0	
5	14	.75	.5	\$
4	18	1.00	0	

For Permits pulled between June 30, 2009 to June 30, 2011:

If no permits were pulled prior to June 30, 2009, the applicant could eliminate 1 of the median income units within phase 3 if 9 units are commenced prior June 30, 2011.

If permits were pulled prior to June 30, 2009, to achieve the elimination of 1 median BMR in Phase 5, the applicant would need to complete all units in Phase 3 & 4 and commence construction on 6 units within Phase 5 prior to June 30, 2011.

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"roliver@dividendhomes.com"

December 5, 2008

Ms. Terry Linder
Community Development – City of Morgan Hill
17555 Peak Ave.
Morgan Hill, CA 95037

Re: BMR Revisions – Amended Development Agreements
Alicante Phase - MC 04-25 Mallorca - MC 04-27
Mission Ranch - MC 04-26 San Savigno – MC 04-19

Dear Terry:

This letter will supplement the four letters, referencing the above four projects, dated November 3, 2008 and sent to Jim Rowe. You have emailed us and asked for us to be more specific in reference to the Build-it Green Program.

I have spoken with Scott Schilling, Don Lapidus and Rocke Garcia and have determined that we each have different circumstances which are unique to our respective projects. I do not believe that there is "one size fits all" response. After reviewing what the others can or cannot do, I can only represent to you what we are able to do for our four projects.

The working drawings for all four of our projects have been completed, and in most cases have been submitted and plan checked. The cost involved in preparing new plans and changing features would be a significant cost which would defeat the whole purpose of the BMR reduction which is necessary for us to proceed in today's financial constraints.

We can meet the Secondary Dwelling Unit additions that were outlined in our November 3rd letters for Mission Ranch and the Alicante Projects. We would prefer not making the changes to the Mallorca or San Savino Projects to include the Secondary Dwelling Units, though we can do that if absolutely necessary. We can commit to achieving 90 points on the Build-it Green check list, recognizing that this will cost us approximately an additional \$1800/unit to equate to the Viento Project as it has been built to-date, plus an additional \$1200/unit to bring it up the 90 points that has been suggested by DeNova. We can also incorporate an "Optional Build-it Green" program, as suggested by Rocke, where we offer such additional features to be paid by the Buyers providing we can do so by the time the prospective buyer enters into a purchase contract. The additional costs for making greater commitments just cannot be absorbed or justified at this time, or for the projected period through June 30th of 2010.

Very truly yours,

DIVIDEND HOMES, INC.

Dick

By: Richard B. Oliver, President

ALICANTE 2005 INC.
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(408) 779-5900 (408) 779-3840
"roliver@dividendhomes.com"

PLANNING DEPT.

NOV 04 2008

CITY OF MORGAN HILL

November 3, 2008

Mr. James Rowe
Planning Manager
City of Morgan Hill – Community Development
17555 Peak Ave.
Morgan Hill, CA 95037

Re: Amend Development Agreement - Alicante Phase 3B – MC 04-25

Dear Jim:

We are submitting herewith an Application to Amend the Development Agreement, for the project referred to above, pursuant to City Council Action of October 15, 2008, regarding the interim reduction in the BMR requirements.

Phase 3B of the Alicante Project includes two BMR Units (1 Low and 1 Median) and 2 Moderate Rate Units in a Modified Set-Back configuration on lots that are approximately 5,000 to 8000 square feet in size, in a Project where the R-1 detached lots are approximately 12,000 square feet and larger.

We respectfully request that the Development Agreement for this Project be amended to provide for the elimination of the BMR status for these two homes; providing, commencement of construction has started by April 30, 2009. In the event that we have not met this schedule, then the request would be to reduce the BMR requirement to 5% Low, from its present requirement of 5% Low plus 8% Median, for all phases of this project which have met a "Commencement of Construction Date" of June 30, 2010.

Also we find it necessary, due to lending constraints, that we split Phase 3B into two phases: a Phase 3B with 11 lots and a new Phase 3C with 7 lots, for the total of 18 on both these phases. This will allow to commence sooner; and, hopefully with successful sales, we will be able to follow-up with Phase 3C shortly after Phase 3B.

We are hopeful that the lending situation and the real estate market will be such that we can meet these dates and get the Project started once again.

In return for this concession by the City, we propose to have this Project include the following modifications:

DAA-05-02D: COCHRANE-
LUPINE
(SD-05-02)

1. We will have each Plan 6 include minimum kitchen facilities so as to be classified as a "Granny" or "Secondary Dwelling Unit". There are 3 Plan 6 homes in Phases 3B and 3C creating a total of three (3) Granny Units.
2. If necessary or required, we could add an additional "Granny" or "Secondary Dwelling Unit" in a Plan 3 or Plan 4, thus creating four (4) Granny units in Phases 3B and 3C.
3. In addition we would add "Seers" testing to all homes to be built during this period. This would assure ducts being "tight", with a subsequent reduction in gas and electric usage.
4. In addition, we would add a solar electrical panels to supply the electrical power for the lights in the common area park.

We also request that the Development Agreement specifically include a provision to states that additional points shall not be required, even though we are losing BMR units, and that the BMR units will not be added back to future phases; and, in addition that Phase 3B can be split into a Phase 3B of 11 units and a Phase 3C of 7 units.


Since we are processing a Development Agreement, which is costly to both us and the City, and due to the extreme problems in the economy and in the lending arena at this time, we respectfully ask for additional extensions to the issuance of permits and commencement of construction for Phase 3B and 3C, just in case these market and lending constraints prevent us from meeting either the April 30th or June 30th dates which now exist for this Project. That would provide some leeway to avoid having to file another Application for extensions in the event we are prevented from starting Phases 3B and 3C as we plan. The specific extension request is: Permit issued: from 4/30/2009 to 11/30/2009; and, Commencement of Construction: from 6/30/2009 to 12/31/09. Because the lots for both Phases 3B and 3C are completed and the streets are installed and utilities are extended, we do not need a long lead time between permit issuance and construction start; and, all we need to meet Commencement of Construction is the setting of the forms for the slab on grade. We understand that if we do not meet the 4/30/09 and/or the 6/30/2010 date, that the Council's October 15, 2008 reduction in BMR requirements would not be met.

We greatly appreciate your consideration and support. If you have suggestions or other ideas to meet the intent of the Council's approval on October 15, 2008, please advise me, so we might set up a meeting to reach a consensus.

Thank you.

Very truly yours,

Alicante 2005 Inc.



Richard B. Oliver, President

6. DAA 05-04: E. Main-Marrad (San Savigno)

35 units R-1 SFD/fully allocated

Status

Incomplete: Phase 1 (13 units, FY 2006-07)/ 1 low, 2 Median BMRs
Phase 2 (5 units, FY 2007-08)/ 0 BMRs
Phase 3 (8 units, FY 2008-09)/ 1 low, 1 Median BMRs
Phase 4 (8 units, FY 2009-10)/ 1 low, 2 Median BMRs

Request:

1. 0 BMRs for phase 1 if started by 4/30/09
2. 5% low BMRs for all phases pulled between 5/1/09-6/30/10
3. Amend DS "pull BP" date for Phase 1 by 6 mos. and Phase 2 by 12 mos.
4. Amend DA "commencement date" for Phase 1 by 8 mos. and Phase 2 by 12 mos.

Enhancement Proposed:

- ✓ Convert the Tandem Garage in Plan 2 to a 2'd DU (2 are in phase 1)
- ✓ Will commit to 90 points on the Build it Green Checklist.
- ✓ Will offer an "Optional Build-it Green" program where additional features can be added and paid for by the buyer.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

13 unit phase 1 with 3 BMR units required within the phase.

25% increments built w/in 13 unit phase 1 with 3 BMRs required	Total # of units built	Quarterly (25% reduction in the number of BMRs	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
3	3	.25	2.5	\$
3	6	.50	2.0	
3	9	.75	1.5	\$
4	13	1.00	0	

For Permits pulled between June 30, 2009 to June 30, 2011:

If no permits were pulled prior to June 30, 2009, the applicant could eliminate 1 of the median income BMR unit within phase 1 if 7 units are commenced prior June 30, 2011.

If permits were pulled prior to June 30, 2009, to achieve the elimination of 1 median BMR in Phase 3 the applicant would need to complete all units in Phases 1 & 2 and commence construction on 4 units within Phase 3 prior to June 30, 2011.

DIVIDEND HOMES, INC.
385 WOODVIEW AVE., SUITE 100
MORGAN HILL, CA 95035
(408) 779-5900 FAX (408) 779-3840
"roliver@dividendhomes.com"

December 5, 2008

Ms. Terry Linder
Community Development – City of Morgan Hill
17555 Peak Ave.
Morgan Hill, CA 95037

Re: BMR Revisions – Amended Development Agreements
Alicante Phase - MC 04-25 Mallorca - MC 04-27
Mission Ranch - MC 04-26 San Savigno – MC 04-19

Dear Terry:

This letter will supplement the four letters, referencing the above four projects, dated November 3, 2008 and sent to Jim Rowe. You have emailed us and asked for us to be more specific in reference to the Build-it Green Program.

I have spoken with Scott Schilling, Don Lapidus and Rocke Garcia and have determined that we each have different circumstances which are unique to our respective projects. I do not believe that there is "one size fits all" response. After reviewing what the others can or cannot do, I can only represent to you what we are able to do for our four projects.

The working drawings for all four of our projects have been completed, and in most cases have been submitted and plan checked. The cost involved in preparing new plans and changing features would be a significant cost which would defeat the whole purpose of the BMR reduction which is necessary for us to proceed in today's financial constraints.

We can meet the Secondary Dwelling Unit additions that were outlined in our November 3rd letters for Mission Ranch and the Alicante Projects. We would prefer not making the changes to the Mallorca or San Savino Projects to include the Secondary Dwelling Units, though we can do that if absolutely necessary. We can commit to achieving 90 points on the Build-it Green check list, recognizing that this will cost us approximately an additional \$1800/unit to equate to the Viento Project as it has been built to-date, plus an additional \$1200/unit to bring it up the 90 points that has been suggested by DeNova. We can also incorporate an "Optional Build-it Green" program, as suggested by Rocke, where we offer such additional features to be paid by the Buyers providing we can do so by the time the prospective buyer enters into a purchase contract. The additional costs for making greater commitments just cannot be absorbed or justified at this time, or for the projected period through June 30th of 2010.

Very truly yours,

DIVIDEND HOMES, INC.

Dick

By: Richard B. Oliver, President

**SAN SAVIGNO LLC
385 WOODVIEW AVE., #100
MORGAN HILL, CA 95037
(408) 779-5900 FAX (408) 779-3840
roliver@dividendhomes.com**

PLANNING DEPT.

NOV 04 2008

CITY OF MORGAN HILL

November 3, 2008

Mr. James Rowe
Planning Manager
City of Morgan Hill – Community Development
17555 Peak Ave.
Morgan Hill, CA 95037

Re: Amend Development Agreement - San Savigno (East Main/Thrust), MC 04-19

Dear Jim:

We are submitting herewith an Application to Amend the Development Agreement, for the project referred to above, pursuant to City Council Action of October 15, 2008, regarding the interim reduction in the BMR requirements.

Phase 1 of the San Savigno Project includes three BMR Units (1 Low and 2 Median) and 2 Moderate Rate Units in a Modified Set-Back configuration on lots that are approximately 3500 square feet in size, in a Project where the R-1 detached lots are approximately 7,000 square feet and larger.

We respectfully request that the Development Agreement for this Project be amended to provide for the elimination of the BMR status for these three homes; providing, commencement of construction has started by April 30, 2009. In the event that we have not met this schedule, then the request would be to reduce the BMR requirement to 5% Low, from its present requirement of 5% Low plus 8% Median, for all phases of this project which have met a "Commencement of Construction Date" of June 30, 2010.

We are hopeful that the lending situation and the real estate market will be such that we can meet these dates and get the Project started once again.

In return for this concession by the City, we propose to have this Project include the following modifications:

1. We are able to convert the Tandem Garage in Plan 2 to a "Granny" or "Secondary Dwelling Unit". There are 3 Plan 2 units in Phase I.
2. In addition we would add "Seers" testing to all homes to be built during this period.

**DAA-05-04E: MAIN-MARRAD
(SD-05-06)**

3. In addition, we would add a solar electrical panels to supply the electrical power for the lights in the common area park.
4. Revisit the landscaping plans with an obligation to modify the amount of lawn and include more drought resistant plants to evidence a meaningful reduction of water consumption.

We also request that the Development Agreement specifically include a provision to states that additional points shall not be required, even though we are losing BMR units, and that the BMR units will not be added back to future phases and that Phase 3B can be split into a Phase 3B of 11 units and a Phase 3C of 7 units.

Since we are processing a Development Agreement, which is costly to both us and the City, and due to the extreme problems in the economy and in the lending arena at this time, we respectfully ask for additional extensions to the issuance of permits and commencement of construction for Phase 1 and 2, just in case these market and lending constraints prevent us from meeting the dates currently set forth in the Amended Development Agreement for San Savigno. That would provide some leeway to avoid having to file another Application for extensions in the event we are prevented from starting Phases 1 and 2 as we plan. The specific extension request is: (a) for Phase 1, extend the date for Permit issued: from 9/30/09 to 3/30/2010; and, Commencement of Construction: from 10/30/2009 to 4/30/2010; (b) for Phase 2, since it is only 5 homes, add it to the same schedule as Phase 3. We understand that if we do not meet the 4/30/09 and/or 6/30/2010 dates, that the Council's October 15, 2008 reduction in BMR requirements would not be met.

If you have suggestions or other ideas to meet the intent of the Council's approval on October 15, 2008, please advise me, so we might set up a meeting to reach a consensus.

San Savigno LLC



By: Richard B. Oliver, President

7. DAA 05-05: E. Central-Hu (Delco/Denova)

39 units R-2 SFA/fully allocated.

Status:

Completed: Phase 1 (19 units, FY 2006-07)\1 low, 2 Median BMRs
Phase 2 (5 units, FY 2007-08) 2 BMRS completed (1 Low, 1 Median)

Incomplete: Phase 3 [15 units], FY 2008-09, 1 low, 2 Median BMRs

Request:

1. Elimination of 2 BMRS completed in phase 2 which the City cannot provide buyers.
2. Eliminate the 2 BMRS required for phase 3 which is currently under-construction.

Enhancement Proposed:

- ✓ Will put people back to work and provide City fees.
- ✓ Project has paid 2.5 million in fees to the City and School Dist.
- ✓ Project has increased the property and sale tax base.
- ✓ Will commit to 90 points on the Build it Green Checklist.
- ✓ Will offer an "Optional Build-it Green" program where additional features can be added and paid for by the buyer.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

15 unit phase 1 with 3 BMR units required within the phase.

25% increments built w/in 15 unit phase 1 with 3 BMRs required	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
4	4	.25	2.5	\$
4	8	.50	2.0	
4	12	.75	1.5	\$
3	15	1.00	0	

Permits have been pulled. Applicant will need to have all units pass a shear and roof sheeting inspection within 180 of the foundation inspection.

LAPIDUS AND ASSOCIATES
REAL ESTATE DEVELOPMENT PLANNING

991 SOLANA COURT, MOUNTAIN VIEW, CA 94040
PHONE: 650-949-1529 FAX: 650-383-5007
DONLAPIDUS@EARTHLINK.NET

December 4, 2008

James Rowe, Planning Manager
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, CA 95037-4128
Facimle: 408-779-7236

Project: Viento, DA-05-05: E. CENTRAL - DELCO/ HU
Subject: Development Agreement Amendment (DAA), Request to Modify Below
Market Rate (BMR) Home Requirements

Dear Jim,

As you know the home building business as well as the general economy in Morgan Hill, the State of California and much of the country is in crises. To preserve what little opportunity we have left and help save the housing industry and avoid further deterioration of home values in Morgan Hill, the City Council requested staff to accept applications from builders to eliminate the requirement to provide BMRs in a phase of homes that "Commenced Construction" prior to April 30, 2009. Furthermore, we have had BMRs available on Lot #s 18 & 24 since September 16, 2008 (almost 2 months) and the City has not been able to provide a qualified buyer for these homes. We have had to financially carry and maintain this home during said time, which has been an unfair burden to us. If there are no qualified buyers, there is no point in continuing to hold these homes. Furthermore, our bank loans a coming due and the only funds remaining to pay off these loans must come from the proceeds from these BMR sales. We need closure on this issue. If the City has not purchased these homes by the January 27, 2009 Planning Commission meeting, we are requesting the BMR requirement to be removed from these homes as well.

Therefore, we hereby request that the City approve a DAA to eliminate our requirement to provide BMRs on Lot #s 29 & 36 (which is in our next phase) and the BMRs on Lot #s 18 & 24 (for which there are no qualified buyers) (See Paragraph 14 Section (I)(i) thru (xi) of the DA).

City Council approval of this request would benefit the City, and the citizens of Morgan Hill as follows:

1. Initially it will put people back to work both directly and indirectly and provide City fees. For reference, this project has already paid over \$2.5 million in fees to the City and School District plus an increased in the property and sales tax base;

2. If the builders can get the projects back on track, it would help stabilize the housing industry, which in turn would help solidify home values affecting many people in Morgan Hill;
3. DeNova Homes is a certified "Green Builder" and while 30 of the projects 39 homes were built to meet green building standards they were not individually certified. The remaining 9 lots currently have foundations in place so there is a limit to what type and how many of the green features can be added. However, the attached Build It Green (BIG) chart will show additional features (highlighted in purple) we would be providing together with a cost breakdown and the homes will be certified. We believe the City should be giving us credit for what we have already done on the completed homes as well as the additional features we are proposing. We can also incorporate an "Optional Build-it Green" program, where we offer such additional features that would be paid for by the Buyers providing we can do so by the time the prospective buyer enters into a purchase contract; and
4. As a result of the recession in the housing industry, we have had to reduce the prices of our homes over 30%, which should give many more qualified buyers in Morgan Hill an opportunity to buy a home.

To facilitate this request we are enclosing the following information:

1. A Uniform Application for the DAA;
2. A \$1,421.00 check for the processing fee; and
3. All the information required in the City's Filing Requirements for DAAs.

If you have any questions or need additional information, please contact me immediately and we will respond accordingly. Thank you for your time and consideration.

Sincerely,



Don Lapidus

cc: Kathleen Molloy Previsich
Dave Sanson
Terry Linder

GreenPoint Rated Checklist: Single Family

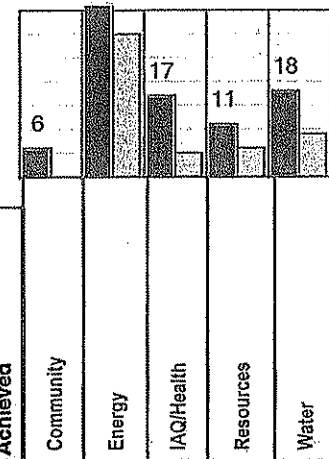


Build It Green
Smart Solutions From The Ground Up

Total Points Achieved: **90**

The GreenPoint Rated checklist tracks green features incorporated into the home. The recommended minimum requirements for a green home are: Earn a total of 50 points or more; obtain the following minimum points per category: Energy (30), Indoor Air Quality/Health (5), Resources (6), and Water (9); and meet the prerequisites A.3.a (50% construction waste diversion), J.1 (Exceed Title 24 by 15%), and N.1 (Incorporate Green Points checklist in blueprints).

The green building practices listed below are described in the New Home Construction Green Building Guidelines, available at www.builditgreen.org. Build It Green is a non-profit organization providing the GreenPoint Rated program as a public service. Build It Green encourages local governments to leverage program resources to support voluntary, market-based programs and strategies.



Viento, Morgan Hill

Points Achieved	Community	Energy	IAQ/Health	Resources	Water
A. SITE					
Possible Points					
1. Protect Topsoil and Minimize Disruption of Existing Plants & Trees					
<input type="checkbox"/>	a. Protect Topsoil from Erosion and Reuse after Construction	0	1		1
<input type="checkbox"/>	b. Limit and Delineate Construction Footprint for Maximum Protection	0			1
<input type="checkbox"/>	2. Deconstruct Instead of Demolishing Existing Buildings On Site				
0				3	
3. Recycle Job Site Construction Waste (Including Green Waste)					
<input checked="" type="checkbox"/>	a. Minimum 50% Waste Diversion by Weight (Recycling or Reuse) - Required	0		R	
<input type="checkbox"/>	b. Minimum 65% Diversion by Weight (Recycling or Reuse)	0		2	
<input type="checkbox"/>	c. Minimum 80% Diversion by Weight (Recycling or Reuse)	0		2	
4. Use Recycled Content Aggregate (Minimum 25%)					
<input type="checkbox"/>	a. Walkway and Driveway	0		1	
<input checked="" type="checkbox"/>	b. Roadway Base	1		1	
Total Points Available in Site = 12					
1					
B. FOUNDATION					
Points Available Per Measure					
1. Replace Portland Cement in Concrete with Recycled Flyash or Slag					
<input type="checkbox"/>	a. Minimum 20% Flyash or Slag	0		1	
<input type="checkbox"/>	b. Minimum 25% Flyash or Slag	0		1	
<input type="checkbox"/>	2. Use Frost-Protected Shallow Foundation in Cold Areas (C.E.C. Climate Zone 16)				
0			3		
<input type="checkbox"/>	3. Use Radon Resistant Construction				
0		1			
(*Points automatically granted when project qualifies for measure J3: ES with IAQ)					
4. Design and Build Structural Pest Controls					
<input type="checkbox"/>	a. Install Termite Shields & Separate All Exterior Wood-to-Concrete Connections by Metal or Plastic Fasteners/Dividers	0		1	
(*Points automatically granted when project qualifies for measure J3: ES with IAQ)					
<input type="checkbox"/>	b. All New Plants Have Trunk, Base, or Stem Located At Least 36 Inches from Foundation	0		1	
Total Points Available in Foundation = 8					
0					
C. LANDSCAPING					
Points Available Per Measure					
1. Construct Resource-Efficient Landscapes					
<input checked="" type="checkbox"/>	a. No Invasive Species Listed by Cal-IPC Are Planted	1			1
<input checked="" type="checkbox"/>	b. No Plant Species Will Require Hedging	1		1	
<input checked="" type="checkbox"/>	c. 75% of Plants Are California Natives or Mediterranean Species or Other Appropriate Species	3			3
<input type="checkbox"/>	2. Use Fire-Safe Landscaping Techniques				
0	1				
3. Minimize Turf Areas in Landscape Installed by Builder					
<input type="checkbox"/>	a. All Turf Will Have a Water Requirement Less than or Equal to Tall Fescue (< = 0.8 plant factor)	0			2
<input checked="" type="checkbox"/>	b. Turf Shall Not Be Installed on Slopes Exceeding 10% or in Areas Less than 8 Feet Wide	2			2
<input checked="" type="checkbox"/>	c. Turf is ≤33% of Landscaped Area (total 2 points)	2			2
<input type="checkbox"/>	d. Turf is ≤10% of Landscaped Area (total 4 points)	0			2
<input type="checkbox"/>	4. Plant Shade Trees				
0					3

Viento, Morgan Hill

	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
<input type="checkbox"/> 5. Group Plants by Water Needs (Hydrozoning)	0					2
6. Install High-Efficiency Irrigation Systems						
<input type="checkbox"/> a. System Uses Only Low-Flow Drip, Bubblers, or Low-flow Sprinklers	0					2
<input checked="" type="checkbox"/> b. System Has Smart (Weather-Based) Controllers	3					3
7. Incorporate Two Inches of Compost in the Top 6 to 12 Inches of Soil	0					3
<input type="checkbox"/> 8. Mulch All Planting Beds to the Greater of 2 Inches or Local Water Ordinance Requirement	0					2
<input type="checkbox"/> 9. Use 50% Salvaged or Recycled-Content Materials for 50% of Non-Plant Landscape Elements	0				1	
<input type="checkbox"/> 10. Reduce Light Pollution by Shielding Fixtures and Directing Light Downward	0	1				
Total Points Available in Landscaping = 31		12				
D. STRUCTURAL FRAME & BUILDING ENVELOPE		Points Available Per Measure				
1. Apply Optimal Value Engineering						
<input type="checkbox"/> a. Place Rafters and Studs at 24-Inch On Center Framing	0				1	
<input type="checkbox"/> b. Size Door and Window Headers for Load	0				1	
<input type="checkbox"/> c. Use Only Jack and Cripple Studs Required for Load	0				1	
2. Use Engineered Lumber						
<input type="checkbox"/> a. Beams and Headers	0				1	
<input type="checkbox"/> b. Insulated Engineered Headers	0		1			
<input checked="" type="checkbox"/> c. Wood I-Joists or Web Trusses for Floors	1				1	
<input type="checkbox"/> d. Wood I-Joists for Roof Rafters	0				1	
<input type="checkbox"/> e. Engineered or Finger-Jointed Studs for Vertical Applications	0				1	
<input checked="" type="checkbox"/> f. Oriented Strand Board for Subfloor	1				1	
<input checked="" type="checkbox"/> g. Oriented Strand Board for Wall and Roof Sheathing	1				1	
3. Use FSC-Certified Wood						
<input type="checkbox"/> a. Dimensional Lumber, Studs and Timber: Minimum 40%	0				2	
<input type="checkbox"/> b. Dimensional Lumber, Studs and Timber: Minimum 70%	0				2	
<input type="checkbox"/> c. Panel Products: Minimum 40%	0				1	
<input type="checkbox"/> d. Panel Products: Minimum 70%	0				1	
4. Use Solid Wall Systems (Includes SIPs, ICFs, & Any Non-Stick Frame Assembly)						
<input type="checkbox"/> a. Floors	0		2		2	
<input type="checkbox"/> b. Walls	0		2		2	
<input type="checkbox"/> c. Roofs	0		2		2	
5. Reduce Pollution Entering the Home from the Garage [*Points automatically granted when project qualifies for measure J3: ES with IAQ]						
<input checked="" type="checkbox"/> a. Tightly Seal the Air Barrier between Garage and Living Area	1			1		
<input type="checkbox"/> b. Install Garage Exhaust Fan OR Build a Detached Garage	0			1		
6. Design Energy Heels on Trusses (75% of Attic Insulation Height at Outside Edge of Exterior Wall)	0		1			
<input type="checkbox"/> 7. Design Roof Trusses to Accommodate Ductwork	0		1			
<input type="checkbox"/> 8. Use Recycled-Content Steel Studs for 90% of Interior Wall Framing	0				1	
<input type="checkbox"/> 9. Thermal Mass Walls: 5/8-Inch Drywall on All Interior Walls or Walls Weighing more than 40 lb/cu.ft.	0		1			
10. Install Overhangs and Gutters						
<input type="checkbox"/> a. Minimum 18-Inch Overhangs and Gutters [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	0				1	
<input type="checkbox"/> b. Minimum 24-Inch Overhangs and Gutters	0		1			
Total Points Available in Structural Building Frame and Envelope = 36		4				
E. EXTERIOR FINISH		Points Available Per Measure				
<input type="checkbox"/> 1. Use Recycled-Content (No Virgin Plastic) or FSC-Certified Wood Decking	0				2	
<input type="checkbox"/> 2. Install a Rain Screen Wall System	0				2	
<input checked="" type="checkbox"/> 3. Use Durable and Non-Combustible Siding Materials	1				1	
<input checked="" type="checkbox"/> 4. Use Durable and Non-Combustible Roofing Materials	2				2	

Viento, Morgan Hill

		Points Achieved	Community	Energy	IAQ/Health	Resources	Water
Total Points Available in Exterior Finish = 7		3					
F. INSULATION			Points Available Per Measure				
1. Install Insulation with 75% Recycled Content							
<input type="checkbox"/>	a. Walls and Floors	0				1	
<input type="checkbox"/>	b. Ceilings	0				1	
2. Install Insulation that is Low-Emitting (Certified Section 01350)							
<input checked="" type="checkbox"/>	a. Walls and Floors	1			1		
<input checked="" type="checkbox"/>	b. Ceilings	1			1		
<input checked="" type="checkbox"/>	3. Inspect Quality of Insulation Installation before Applying Drywall [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	1		1			
Total Points Available in Insulation = 5		3					
G. PLUMBING			Points Available Per Measure				
1. Distribute Domestic Hot Water Efficiently (Additive, Maximum 7 Points)							
<input checked="" type="checkbox"/>	a. Insulate Hot Water Pipes from Water Heater to Kitchen	2		1			1
<input type="checkbox"/>	b. Insulate All Hot Water Pipes	0		1			1
<input type="checkbox"/>	c. Use Engineered Parallel Piping	0					1
<input type="checkbox"/>	d. Use Engineered Parallel Piping with Demand Controlled Circulation Loop	0					1
<input type="checkbox"/>	e. Use Structured Plumbing with Demand Controlled Circulation Loop	0		1			2
<input type="checkbox"/>	f. Use Central Core Plumbing	0		1		1	1
<input checked="" type="checkbox"/>	2. Install Only High Efficiency Toilets (Dual-Flush or ≤1.28 gpf)	4					4
Total Points Available in Plumbing = Total 11		6					
H. HEATING, VENTILATION & AIR CONDITIONING			Points Available Per Measure				
<input type="checkbox"/>	1. Design and Install HVAC System to ACCA Manual J, D, and S Recommendations [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	0		4			
2. Install Sealed Combustion Units [*Points automatically granted when project qualifies for measure J3: ES with IAQ]							
<input type="checkbox"/>	a. Furnaces	0			2		
<input checked="" type="checkbox"/>	b. Water Heaters	2			2		
<input type="checkbox"/>	3. Install Zoned, Hydronic Radiant Heating	0		1	1		
<input checked="" type="checkbox"/>	4. Install High Efficiency Air Conditioning with Environmentally Responsible Refrigerants	1	1				
5. Design and Install Effective Ductwork [*5b,d,e are automatically granted when project qualifies for measure J3: ES with IAQ]							
<input type="checkbox"/>	a. Install HVAC Unit and Ductwork within Conditioned Space	0		3			
<input type="checkbox"/>	b. Use Duct Mastic on All Duct Joints and Seams	0		1			
<input type="checkbox"/>	c. Install Ductwork under Attic Insulation (Buried Ducts)	0		1			
<input type="checkbox"/>	d. Pressure Relieve the Ductwork System	0		1			
<input type="checkbox"/>	e. Protect Ducts during Construction and Clean All Ducts before Occupancy	0		1			
<input type="checkbox"/>	6. Install High Efficiency HVAC Filter (MERV 6+) [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	0			1		
<input checked="" type="checkbox"/>	7. Don't Install Fireplaces or Install Sealed Gas Fireplaces with Efficiency Rating NOT Less Than 60% using CSA Standards	1			1		
8. Install Effective Exhaust Systems in Bathrooms and Kitchens [*8a&c are automatically granted when project qualifies for measure J3: ES with IAQ]							
<input type="checkbox"/>	a. Install ENERGY STAR Bathroom Fans Vented to the Outside	0			1		
<input type="checkbox"/>	b. All Bathroom Fans Are on Timer or Humidistat	0			1		
<input checked="" type="checkbox"/>	c. Install Kitchen Range Hood Vented to the Outside	1			1		
9. Install Mechanical Ventilation System for Cooling (Max. 4 Points)							
<input type="checkbox"/>	a. Install ENERGY STAR Ceiling Fans & Light Kits in Living Areas & Bedrooms	0		1			
<input type="checkbox"/>	b. Install Whole House Fan with Variable Speeds	0		1			
<input type="checkbox"/>	c. Automatically Controlled Integrated System	0		2			

Viento, Morgan Hill

	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
<input type="checkbox"/> d. Automatically Controlled Integrated System with Variable Speed Control	0		3			
10. Install Mechanical Fresh Air Ventilation System (Maximum 3 Points)	0			2		
<input type="checkbox"/> a. Any Whole House Ventilation System That Meets ASHRAE 62.2	0		1	2		
<input type="checkbox"/> b. Install Air-to-Air Heat Exchanger that meets ASHRAE 62.2 [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	0					
<input checked="" type="checkbox"/> 11. Install Carbon Monoxide Alarm(s) [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	1			1		
Total Points Available in Heating, Ventilation and Air Conditioning = 30	6					
J. RENEWABLE ENERGY						
<input type="checkbox"/> 1. Pre-Plumb for Solar Hot Water Heating	0		4			
<input type="checkbox"/> 2. Install Solar Water Heating System	0		10			
<input checked="" type="checkbox"/> 3. Install Wiring Conduit for Future Photovoltaic Installation & Provide 200 ft ² of South-Facing Roof	2		2			
4. Install Photovoltaic (PV) Panels	0		6			
<input type="checkbox"/> a. 30% of electric needs OR 1.2 kW (total 6 points)	0		6			
<input type="checkbox"/> b. 60% of electric needs OR 2.4kW (total 12 points)	0		6			
<input type="checkbox"/> c. 90% of electric need OR 3.6 kW (total 18 points)	0		6			
Total Available Points in Renewable Energy = 28	2					
K. BUILDING PERFORMANCE						
1. Diagnostic Evaluations						
<input checked="" type="checkbox"/> a. House Passes Blower Door Test [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	1		1			
<input type="checkbox"/> b. House Passes Combustion Safety Backdraft Test	0			1		
15% 2. Design and Build High-Performance Homes - 15% above Title 24 - Required	30		≥30			
<input type="checkbox"/> 3. House Obtains ENERGY STAR with Indoor Air Package Certification - Pilot Measure (Total 45 points; read comment)	0			5	2	
Total Available Points in Building Performance = 109	31					
L. FINISHES						
<input type="checkbox"/> 1. Design Entryways to Reduce Tracked in Contaminants	0			1		
2. Use Low-VOC or Zero-VOC Paint (Maximum 3 Points)						
<input checked="" type="checkbox"/> a. Low-VOC Interior Wall/Ceiling Paints (<50gpl VOCs (Flat) & <150gpl VOCs (Non-Flat))	1			1		
<input type="checkbox"/> b. Zero-VOC: Interior Wall/Ceiling Paints (<5 gpl VOCs (Flat))	0			3		
<input checked="" type="checkbox"/> 3. Use Low VOC, Water-Based Wood Finishes (<250 gpl VOCs)	2			2		
<input checked="" type="checkbox"/> 4. Use Low-VOC Caulk and Construction Adhesives (<70 gpl VOCs) for All Adhesives	2			2		
<input type="checkbox"/> 5. Use Recycled-Content Paint	0				1	
6. Use Environmentally Preferable Materials for Interior Finish: A) FSC-Certified Wood, B) Reclaimed, C) Rapidly Renewable, D) Recycled-Content or E) Finger-Jointed						
<input type="checkbox"/> a. Cabinets (50% Minimum)	0				1	
<input type="checkbox"/> b. Interior Trim (50% Minimum)	0				1	
<input type="checkbox"/> c. Shelving (50% Minimum)	0				1	
<input type="checkbox"/> d. Doors (50% Minimum)	0				1	
<input type="checkbox"/> e. Countertops (50% Minimum)	0				1	
7. Reduce Formaldehyde in Interior Finish (CA Section 01350)						
<input type="checkbox"/> a. Subfloor & Stair Treads (90% Minimum)	0			1		
<input type="checkbox"/> b. Cabinets & Countertops (90% Minimum)	0			1		
<input type="checkbox"/> c. Interior Trim (90% Minimum)	0			1		
<input type="checkbox"/> d. Shelving (90% Minimum)	0			1		
<input type="checkbox"/> 8. After Installation of Finishes, Test of Indoor Air Shows Formaldehyde Level <27ppb	0			3		
Total Available Points in Finishes = 21	5					
M. FLOORING						

Viento, Morgan Hill

		Points Achieved	Community	Energy	IAQ/Health	Resources	Water
1. Use Environmentally Preferable Flooring: A) FSC-Certified Wood, B) Reclaimed or Refinished, C) Rapidly Renewable, D) Recycled-Content, E) Exposed Concrete. Flooring Adhesives Must Have <70 gpl VOCs.							
<input type="checkbox"/>	a. Minimum 15% of Floor Area	0				1	
<input type="checkbox"/>	b. Minimum 30% of Floor Area	0				1	
<input type="checkbox"/>	c. Minimum 50% of Floor Area	0				1	
<input type="checkbox"/>	d. Minimum 75% of Floor Area	0				1	
2. Thermal Mass Floors: Floor Covering Other than Carpet on 50% or More of Concrete Floors		0		1			
<input checked="" type="checkbox"/>	3. Flooring Meets Section 01350 or CRI Green Label Plus Requirements (50% Minimum) [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	2			2		
Total Available Points in Flooring = 7		2					
M. APPLIANCES AND LIGHTING			Points Available Per Measure				
1. Install Water and Energy Efficient Dishwasher							
<input checked="" type="checkbox"/>	a. ENERGY STAR (total 1 point)	1		1			
<input checked="" type="checkbox"/>	b. Dishwasher Uses No More than 6.5 Gallons/Cycle (total 2 points)	1					1
2. Install ENERGY STAR Clothes Washing Machine with Water Factor of 6 or Less							
<input type="checkbox"/>	a. Meets Energy Star and CEE Tier 2 requirements (modified energy factor 2.0, Water Factor 6.0 or less) (total 3 points)	0		1			2
<input type="checkbox"/>	b. Meets Energy Star and CEE Tier 3 requirements (modified energy factor 2.2, Water Factor 4.5 or less) (total 5 points)	0					2
3. Install ENERGY STAR Refrigerator							
<input type="checkbox"/>	a. ENERGY STAR Qualified & < 25 Cubic Feet Capacity	0		1			
<input type="checkbox"/>	b. ENERGY STAR Qualified & < 20 Cubic Feet Capacity	0		1			
4. Install Built-In Recycling Center and Composting Center							
<input checked="" type="checkbox"/>	a. Built-In Recycling Center	2				2	
<input type="checkbox"/>	b. Built-In Composting Center	0				1	
Total Available Points in Appliances and Lighting = 12		4					
N. OTHER:			Points Available Per Measure				
<input checked="" type="checkbox"/>	1. Incorporate GreenPoint Rated Checklist in Blueprints - Required	0				R	
<input checked="" type="checkbox"/>	2. Develop Homeowner Manual of Green Features/Benefits [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	3		1	1		1
Total Available Points in Other = 3		3					
O. COMMUNITY DESIGN & PLANNING (maximum 20 points in this section)							
1. Develop Infill Sites							
<input checked="" type="checkbox"/>	a. Project is Located in a Built Urban Setting with Utilities in Place for Fifteen Years	2	1			1	
<input checked="" type="checkbox"/>	b. Development is Located within 1/2 Mile of a Major Transit Stop	2	2				
2. Cluster Homes & Keep Size in Check							
<input type="checkbox"/>	a. Cluster Homes for Land Preservation	0	1			1	
<input type="checkbox"/>	b. Conserve Resources by Increasing Density (10 Units per Acre or Greater)	0	2			2	
<input type="checkbox"/>	c. Home Size Efficiency	0				9	
0	3. Subdivision Layout & Orientation to Improve Natural Cooling and Passive Solar Attributes	0	3	7			
4. Design for Walking & Bicycling							
<input type="checkbox"/>	a. Pedestrian Access to 5 or More Neighborhood Services within 1/2 Mile: 1) Community Center/Library; 2) Grocery Store; 3) School; 4) Day Care; 5) Laundry; 6) Medical; 7) Entertainment/Restaurants; 8) Post Office; 9) Place of Worship; 10) Bank	0	2				
<input checked="" type="checkbox"/>	b. Development is Connected with A Dedicated Pedestrian Pathway to Places of Recreational Interest within 1/4 mile	1	1				
<input type="checkbox"/>							

Viento, Morgan Hill

	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
<input type="checkbox"/> c. At Least Two of the Following Traffic-Calming Strategies: - Designated Bicycle Lanes are Present on Roadways; - Ten-Foot Vehicle Travel Lanes; - Street Crossings Closest to Site are Located Less Than 300 Feet Apart; - Streets Have Rumble Strips, Bulbouts, Raised Crosswalks or Refuge Islands	0	2				
5. Design for Safety & Social Gathering						
<input type="checkbox"/> a. All Home Front Entrances Have Views from the Inside to Outside Callers	0	1				
<input checked="" type="checkbox"/> b. All Home Front Entrances Can be Seen from the Street and/or from Other Front Doors	1	1				
<input type="checkbox"/> c. Orient Porches (min. 100sf) to Streets and Public Spaces	0	1				
6. Design for Diverse Households						
<input type="checkbox"/> a. All Homes Have at Least One Zero-Step Entrance	0	1				
<input type="checkbox"/> b. All Main Floor Interior Doors & Passageways Have a Minimum 32-Inch Clear Passage Space	0	1				
<input type="checkbox"/> c. Locate at Least a Half-Bath on the Ground Floor with Blocking in Walls for Grab Bars	0	1				
<input type="checkbox"/> d. Provide Full-Function Independent Rental Unit	0	1				
Total Achievable Points in Community Design & Planning = 20		6				
P INNOVATION (maximum 20 points in this section)		Possible Points				
A. Site						
<input type="checkbox"/> 1. Reduce Heat-Island Effect - Install light-colored, high albedo materials (solar reflectance index ≥ 0.3) for at least 50% of site's non-roof impervious surfaces	0	1				
<input type="checkbox"/> 2. Build on Designated brownfield site	0	3				
B. Foundation [*Points automatically granted when project qualifies for measure J3: ES with IAQ]						
<input type="checkbox"/> 1. Install a Foundation Drainage System	0				2	
<input type="checkbox"/> 2. Sealed and Moisture Controlled Crawlspace	0			2		
C. Landscaping						
<input type="checkbox"/> 1. Meets Bay-Friendly Landscape Program Requirement	0					4
<input type="checkbox"/> 2. Meets California-Friendly Landscape Program Requirement	0					4
3. Rain Water Harvesting System (1 point for <350 gallons, 2 points for > 350 gallons)						2
<input type="checkbox"/> a. Less than 350 gallon capacity	0					1
<input type="checkbox"/> b. Greater than 350 gallon capacity	0					2
<input type="checkbox"/> 4. Assess Site Climate, Exposure, Topography, and Drainage	0					1
<input type="checkbox"/> 5. Perform a Soil Analysis	0					1
<input type="checkbox"/> 6. Irrigation System Uses Recycled Wastewater	0					1
<input type="checkbox"/> 7. FSC Certified, Recycled Plastic or Composite Lumber - Fencing: 70%	0				1	
D. Structural Frame and Building Envelope						
1. Design, Build and Maintain Structural Pest and Rot Controls						
<input type="checkbox"/> a. Locate All Wood (Siding, Trim, Structure) At Least 12" Above Soil	0				1	
<input type="checkbox"/> b. All Wood Framing 3 Feet from the Foundation is Treated with Borates (or Use Factory-Impregnated Materials) OR Walls are Not Made of Wood	0			1		
<input checked="" type="checkbox"/> 2. Use Moisture Resistant Materials in Wet areas of Kitchen, Bathrooms, Utility Rooms, and Basements [*Points automatically granted when project qualifies for measure J3: ES with IAQ].	1			1		
3. Use FSC Certified Engineered Lumber (3 points maximum)						
<input type="checkbox"/> a. Beams and Headers	0				1	
<input type="checkbox"/> b. Insulated Engineered Headers	0				1	
<input type="checkbox"/> c. Wood I-Joists or Web Trusses for Floors	0				1	
<input type="checkbox"/> d. Wood I-Joists for Roof Rafters	0				1	
<input type="checkbox"/> e. Engineered or Finger-Jointed Studs for Vertical Applications	0				1	
<input type="checkbox"/> f. Roof Trusses: 100%	0				1	
4. FSC Certified Wood						
<input type="checkbox"/> a. Dimensional Lumber, Studs and Timber: 100%	0				2	
<input type="checkbox"/> b. Panel Products: 100%	0				2	

Viento, Morgan Hill

	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
E. Exterior Finish						
<input type="checkbox"/> 1. Green Roofs (25% of roof area minimum)	0	1	1			
<input type="checkbox"/> 2. Flashing Installation Techniques Specified [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	0				1	
F. Insulation						
G. Plumbing						
<input type="checkbox"/> 1. Graywater Pre-plumbing (includes washing machine at minimum)	0					1
<input type="checkbox"/> 2. Graywater System Operational (includes washing machine at minimum)	0					2
<input type="checkbox"/> 3. Innovative Wastewater Technology (Constructed Wetland, Sand Filter, Aerobic System)	0					1
<input type="checkbox"/> 4. Composting or Waterless Toilet	0					2
<input type="checkbox"/> 5. Install Drain Water Heat-recovery System	0		1			
<input type="checkbox"/> 6. Install Water Efficient Fixtures						
<input type="checkbox"/> a. Showerheads or Shower Towers Use <2.0 Gallons Per Minute (GPM) Total	0					1
<input type="checkbox"/> b. Faucets - bathrooms <1.5 gpm	0					1
<input type="checkbox"/> c. Faucets - Kitchen & Utility <2.0 gpm	0					1
H. Heating, Ventilation, and Air Conditioning						
<input type="checkbox"/> 1. Humidity Control Systems (only in California humid/marine climate zones 1,3,5,6,7)	0			1		
I. Renewable Energy						
<input type="checkbox"/> 1. Extraordinary Passive Solar Design (> 50% of load) That is Not Already Reflected in T-24 Modeling	0		5			
J. Building Performance						
<input type="checkbox"/> 1. Test Total Supply Air Flow Rates	0		1			
K. Finishes						
1. Use Environmentally Preferable Materials for Interior Finishes						
<input type="checkbox"/> a. Cabinets (80% minimum)	0				1	
<input type="checkbox"/> b. Interior Trim (80% minimum)	0				1	
<input type="checkbox"/> c. Shelving (80% minimum)	0				1	
<input type="checkbox"/> d. Doors (80% minimum)	0				1	
<input type="checkbox"/> e. Countertops (80% minimum)	0				1	
L. Flooring						
<input type="checkbox"/> 1. Flooring Meets Section 01350 or CRI Green Label Plus Requirements (80% Minimum) [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	0			1		
M. Appliances						
N. Other						
<input type="checkbox"/> 1. Homebuilder's Management Staff are Certified Green Building Professionals	0	1				
<input type="checkbox"/> 2. Detailed Durability Plan [*Points automatically granted when project qualifies for measure J3: ES with IAQ]	0				2	
<input type="checkbox"/> 3. Third-Party Verification of Implementation of Durability Plan	0				2	
<input type="checkbox"/> 4. Materials Sourced, Processed and Manufactured Within a 500 Mile Radius of the Home	0	1				
<input checked="" type="checkbox"/> 5. Comprehensive Owner's Manual and Homeowner Educational Walkthroughs	1		1			
Total Achievable Points in Innovation = 20	2					
Summary						
Total Available Points in Specific Categories		32	193	51	103	71
Minimum Points Required in Specific Categories		0	30	5	6	9
Total Points Achieved	90	6	38	17	11	18

Project has met all recommended minimum requirements

- Total Project Score of At Least 50 Points

- Required minimum

Viento, Morgan Hill

Points
Achieved

Community

Energy

IAQ/Health

Resources

Water

-A3a: 50% waste diversion by weight

-J2: 15% above Title 24

-N1: Incorporate GreenPoint Rated Checklist into blueprints

- Minimum points in specific categories:

-Energy (30 points)

-IAQ/Health (5 points)

-Resources (6 points)

-Water (9 points)

-Maximum 20 points pursued under Community Design and Planning

-Maximum 20 points pursued under Innovation

Viento

Extra Costs for "Green" Building

Item #	Description	Cost/unit
C.6.b	Weather-based Controller	\$60
D.5.a	Seal Air Barrier	\$100
F.3, J.1.a & J.2	Insulation Inspection, Blower Door Test – HERS Testing	\$300
G.1.a	Insulate Hot Water Pipes to kitchen	\$100
G.2	Dual Flush	\$300
I.3.	Solar Prep	\$150
M.4.a	Recycling Center	\$100
N.1. & 2	Plans and Manuals	\$70
P.N.5	Extra Walkthrough info/ Sales Seminar	\$0
		<u>\$1,180</u> per unit

LAPIDUS AND ASSOCIATE
REAL ESTATE DEVELOPMENT PLANNING

991 SOLANA COURT, MOUNTAIN VIEW, CA 94040
PHONE: 650-949-1529 FAX: 650-383-5007
DONLAPIDUS@EARTHLINK.NET

November 7, 2008

James Rowe, Planning Manager
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, CA 95037-4128
Facimle: 408-779-7236

PLANNING DEPT.

NOV 07 2008

CITY OF MORGAN HILL

Project: Viento, DA-05-05: E. CENTRAL - DELCO/ HU
Subject: Development Agreement Amendment (DAA), Request to Modify Below
Market Rate (BMR) Home Requirements

Dear Jim,

As you know the home building business as well as the general economy in Morgan Hill, the State of California and much of the country is in crises. To preserve what little opportunity we have left and help save the housing industry and avoid further deterioration of home values in Morgan Hill, the City Council requested staff to accept applications from builders to eliminate the requirement to provide BMRs in a phase of homes that "Commenced Construction" prior to April 30, 2009. Furthermore, we have had BMRs available on Lot #s 18 & 24 since September 16, 2008 (almost 2 months) and the City has not been able to provide a qualified buyer for these homes. We have had to financially carry and maintain this home during said time, which has been an unfair burden to us. If there are no qualified buyers, there is no point in continuing to hold these homes. Furthermore, our bank loans are coming due and the only funds remaining to pay off these loans must come from the proceeds from these BMR sales. We need closure on this issue.

Therefore, we hereby request that the City approve a DAA to eliminate our requirement to provide BMRs on Lot #s 29 & 36 (which is in our next phase) and the BMRs on Lot #s 18 & 24 (for which there are no qualified buyers) (See Paragraph 14 Section (I)(i) thru (xi) of the DA).

City Council approval of this request would benefit the City, and the citizens of Morgan Hill. Initially it will put people back to work both directly and indirectly and provide City fees. For reference, this project has already paid over \$2.5 million in fees to the City and School District plus an increased in the property and sales tax base. Additionally, if the builders can get the projects back on track, it would help stabilize the housing industry, which in turn would help solidify home values affecting many people in Morgan Hill. Finally, DeNova Homes is a certified "Green Builder" and while the homes

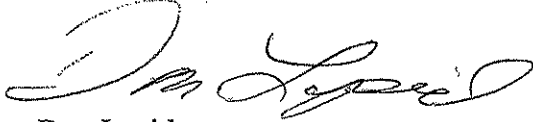
may not meet the current City standard for green building they incorporate many of the elements considered.

To facilitate this request we are enclosing the following information:

1. A Uniform Application for the DAA;
2. A \$2,583.00 check for the processing fee; and
3. All the information required in the City's Filing Requirements for DAAs.

If you have any questions or need additional information, please contact me immediately and we will respond accordingly. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Lapidus", written in a cursive style.

Don Lapidus

cc: Kathleen Molloy Previsich
Dave Sanson

8. DAA 05-07: Wright Ave.-Manana (Mallorca)

15 units R-2 SFA/fully allocated

Status

Incomplete: Phase 1 (6 units, FY 2006-07)/ 1 low BMR
Phase 2 (9 units, FY 2007-08)/ 1 Median BMR

Request:

5. Eliminate 1 low BMR for phase 1 if started by 4/30/09
6. Eliminate the 1 median BMR for phase 2.

Enhancement Proposed:

- ✓ Will commit to 90 points on the Build it Green Checklist.
- ✓ Will offer an "Optional Build-it Green" program where additional features can be added and paid for by the buyer.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

15 unit phase 1 with 1 BMR unit required within the phase.

25% increments built w/in 15 unit phase 1 with 1 BMR required	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
4	4	.25	1.5	\$
4	8	.50	1.0	
4	12	.75	.5	\$
3	15	1.00	0	

For Permits pulled between June 30, 2009 to June 30, 2011:

If no permits were pulled prior to June 30, 2009, the applicant could eliminate the low income BMR units within phase 1 if 8 units are commenced prior June 30, 2011.

If permits were pulled prior to June 30, 2009, to achieve the elimination of 1 median BMR in Phase 2 the applicant would need to complete all units in Phases 1 and commence construction on 8 units within Phase 2 prior to June 30, 2011.

DIVIDEND HOMES, INC.
385 WOODVIEW AVE., SUITE 100
MORGAN HILL, CA 95035
(408) 779-5900 FAX (408) 779-3840
"roliver@dividendhomes.com"

December 5, 2008

Ms. Terry Linder
Community Development – City of Morgan Hill
17555 Peak Ave.
Morgan Hill, CA 95037

Re: BMR Revisions – Amended Development Agreements
Alicante Phase - MC 04-25 Mallorca - MC 04-27
Mission Ranch - MC 04-26 San Savigno – MC 04-19

Dear Terry:

This letter will supplement the four letters, referencing the above four projects, dated November 3, 2008 and sent to Jim Rowe. You have emailed us and asked for us to be more specific in reference to the Build-it Green Program.

I have spoken with Scott Schilling, Don Lapidus and Rocke Garcia and have determined that we each have different circumstances which are unique to our respective projects. I do not believe that there is "one size fits all" response. After reviewing what the others can or cannot do, I can only represent to you what we are able to do for our four projects.

The working drawings for all four of our projects have been completed, and in most cases have been submitted and plan checked. The cost involved in preparing new plans and changing features would be a significant cost which would defeat the whole purpose of the BMR reduction which is necessary for us to proceed in today's financial constraints.

We can meet the Secondary Dwelling Unit additions that were outlined in our November 3rd letters for Mission Ranch and the Alicante Projects. We would prefer not making the changes to the Mallorca or San Savino Projects to include the Secondary Dwelling Units, though we can do that if absolutely necessary. We can commit to achieving 90 points on the Build-it Green check list, recognizing that this will cost us approximately an additional \$1800/unit to equate to the Viento Project as it has been built to-date, plus an additional \$1200/unit to bring it up the 90 points that has been suggested by DeNova. We can also incorporate an "Optional Build-it Green" program, as suggested by Rocke, where we offer such additional features to be paid by the Buyers providing we can do so by the time the prospective buyer enters into a purchase contract. The additional costs for making greater commitments just cannot be absorbed or justified at this time, or for the projected period through June 30th of 2010.

Very truly yours,

DIVIDEND HOMES, INC.

Dick

By: Richard B. Oliver, President

MANANA INVESTORS LLC
385 WOODVIEW AVE., #100
MORGAN HILL, CA 95037
(408) 779-5900 FAX (408) 779-3840
roliver@dividendhomes.com

PLANNING DEPT.

NOV 04 2008

CITY OF MORGAN HILL

November 3, 2008

Mr. James Rowe
Planning Manager
City of Morgan Hill – Community Development
17555 Peak Ave.
Morgan Hill, CA 95037

Re: Amend Development Agreement - Mallorca (Wright & Hale) MC 04-27

Dear Jim:

We are submitting herewith an Application to Amend the Development Agreement, for the project referred to above, pursuant to City Council Action of October 15, 2008, regarding the interim reduction in the BMR requirements.

Phases 1 and 2 of the Mallorca Project include two BMR Units (1 Low and 1 Median) and 2 Moderate Rate Units in a Modified Set-Back configuration on lots that are approximately 3500 square feet in size, in a Project which also includes three single family homes on R-1 detached lots which are approximately 6,800 square feet in size.

We respectfully request that the Development Agreement for this Project be amended to provide for the elimination of the BMR status for these two homes; providing, commencement of construction has started by April 30, 2009. In the event that we have not met this schedule, then the request would be to reduce the BMR requirement to 5% Low, from its present requirement of 5% Low plus 8% Median, for all phases of this project which have met a "Commencement of Construction Date" of June 30, 2010.

We are hopeful that we the lending situation and the real estate market will be such that we can meet these dates and get the Project started once again.

In return for this concession by the City, we propose to have this Project include the following modifications:

1. We are able to convert Plan 4, which is a single family detached R-1 home on the 6800 (approximate) square foot lots, to contain a "Granny" or "Secondary Dwelling Unit". There are three (3) such homes thus giving us the opportunity to create three (3) "Granny" units. The design is attached for your reference. This is

DAA-05-07E: WRIGHT-
MANANA
(SD-05-09)

a costly conversion, but creates a significant "Granny" suite, with two rooms and a separate entrance.

2. In addition we would add "Seers" testing to all homes to be built during this period.
3. Revisit the landscaping plans with an obligation to minimize the amount of lawn and include more drought resistant plants to evidence a meaningful reduction of water consumption.

We also request that the Development Agreement specifically include a provision to states that additional points shall not be required, even though we are losing BMR units, and that the BMR units will not be added back to future phases of this Project.

If you have suggestions or other ideas to meet the intent of the Council's approval on October 15, 2008, please advise me, so we might set up a meeting to reach a consensus.

Very truly yours,

Manana Investors LLC



By: Richard B. Oliver, President

9. DAA 05-08: Church-Alcini (Old Orchard Co.)

14 units R-2 SFA/fully allocated

Status:

Incomplete: Phase 1 (14 units, FY 2006-07)/ 1 low BMR

Request:

1. Elimination of BMRS if permits are pulled prior to 4/30/09

Enhancement Proposed:

- ✓ Additional design areas to provide education to adults and children re: bioswales and drought tolerant design. **OR**
- ✓ Addition of a Drought Tolerant Garden to the park.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

14 unit single phase project with 1 low BMR unit required.

25% increments built w/in 14 unit single phase with 1BMR required	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
3	3	.25	.75	
4	7	.50	.50	\$
3	10	.75	.25	
4	14	1.00	0	

If the applicant waits to pull permits after June 30, 2009 the applicant would not receive any reduction.

The Old Orchard Company

PLANNING DEPT.

NOV 12 2008

CITY OF MORGAN HILL

November 10, 2008

Community Development Department
City of Morgan Hill
Planning Division
17555 Peak Avenue
Morgan Hill, Ca 95037

Re: Development Agreement Amendment for Application MC-04-15 Church-Alcini

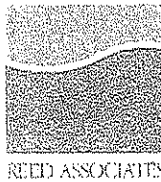
Attn: Terry Linder

The Old Orchard Company would like to participate in the BMR Reduction Program and request a development agreement amendment for our application MC-04-15: Church-Alcini. The project "enhancement" is described on the attached exhibit "A"

Sincerely,



Cliff R. Johnson
President
The Old Orchard Company



PLANNING DEPT.

NOV 12 2008

CITY OF MORGAN HILL

November 10, 2008

EXHIBIT "A"

RE: Design Enhancement Proposals for Rancho Del Pueblo Park

Rancho Del Pueblo Park could have additional designed areas to provide education to adults and children on bioswales and drought tolerant landscape design. Bioswales are landscape elements designed to remove silt and pollution from surface runoff water. They consist of a drainage course with gently sloped sides and filled with specific vegetation. The water's flow path, along with the wide and shallow swale, is designed to maximize the time water spends in the swale, which aids the trapping of pollutants and silt. A bioswale example could be added as an educational exhibit.

OR

A Drought Tolerant Garden is another educational element that could be added to the Park. Plants that possess drought resistant traits could be planted and identified for adults and children. The plants growing in this garden could be California natives as well as Mediterranean and Australian exotics, all of which have successful drought resistant qualities in Bay Area low water-use gardens.

Sincerely,

Paul Jay Reed

REED ASSOCIATES LANDSCAPE ARCHITECTURE CORPORATION
California State License No. 2002

Reed Associates
Landscape Architecture
477 S. Taaffe St., Sunnyvale, CA 94086
(408)481-9020
fx.(480)481-9022

DAA-05-08D: CHURCH-ALCINI
OLD ORCHARD

10. DAA 05-10: Barrett-Syncon Homes

52 units R-1 SFD/not fully allocated.

Status

Completed*:

Incomplete: Phase 1 (13 (7) units, FY 2007-08)\1 low, 1 median BMR
* 6 units completed in phase I includes 1 median BMR
Phase 2 (5 units, FY 2008-09) 0 BMRS
Phase 3 (14 units, FY 2009-10)\1 low, 1 median BMR

Request: "...a reduction in the BMR requirement."

Enhancement Proposed:

- ✓ Solar powered irrigation controllers located in the median island in San Ramon Ave. at Barrett and in the park common areas.
- ✓ Solar panels will be installed on the well pump house to reduce electric costs to HOA.
- ✓ All trim and baseboard material shall be recycled material.
- ✓ Solar powered irrigation systems shall be installed on individual lots.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

13 unit phase 1 with 2 BMR units required within the phase.

25% increments built w/in 13 unit phase with 2 BMRs required	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
3	3	.25	1.5	\$
4	7	.50	1.0	
3	10	.75	.5	\$
3	13	1.00	0	

For Permits pulled between June 30, 2009 to June 30, 2011:

If no additional permits are pulled prior to June 30, 2009, the applicant could eliminate 1 of the median income BMR within phase 1 if 13 units are commenced prior June 30, 2011.

If permits were pulled prior to June 30, 2009, the applicant would need to complete all units in Phase 1 and commence construction on the 5 phase 2 units and 7 Phase 3 units prior to June 30, 2011, to achieve the elimination of 1 median BMR in Phase 3.

November 10, 2008

NOV 10 2008
CITY OF MORGAN HILL

Mr. James B. Rowe
Planning Manager
17555 Peak Avenue
Morgan Hill, CA 95037

Subject: Lone Oak Farms Development Approval Amendment Application BMR Reduction for MC-04-21 Barrett - Syncon Homes

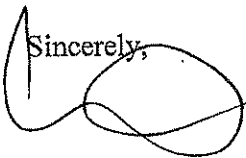
Dear Mr. Rowe:

Please find attached Syncon Homes' application for the subject amendment. In exchange for a reduction in the BMR requirement Syncon Homes proposes the following community enhancements:

1. Solar powered irrigation controllers located in the median island in San Ramon Avenue at Barrett Avenue (already installed) and in the park common areas.
2. Solar panels will be installed on the well pump house to reduce electric costs to HOA.
3. All trim and baseboard material shall be recycled material.
4. Solar powered irrigations systems shall be installed on individuals lots.

The attached application will be followed by the list of property owners within 300 feet of the perimeter of the project. Should you have any questions I can be reached at 916-257-7141.

Sincerely,



Michael Harlan

11. DAA 05-13: Jarvis-South Valley Developers

134 units R-3 MF/not fully allocated.

Status

Completed: Phase 1 (36 units, FY 2006-07)\ 2 low, 2 Median BMR

Incomplete: Phase 2 (13 units, FY 2007-08)\ 1 low, 1 Median BMR
Phase 3 (15 units, FY 2008-09)\ 1 low, 1 Median BMR
Phase 4 (14 units, FY 2009-10)\ 2 Median BMR

Request:

1. Elimination of BMRs
2. Reduction in BMRs for permits pulled prior to June 30, 2011

Enhancement Proposed:

✓ Will commit to 101 points on the Build it Green Checklist.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

13 unit phase 2 with 2 BMR units required within the phase.

25% increments built w/in 13 unit phase 2 with 2 BMRs required	Total # of units built	Quarterly (25% reduction in the number of BMRs	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
3	3	.25	1.5	\$
4	7	.50	1.0	
3	10	.75	.5	\$
3	13	1.00	0	

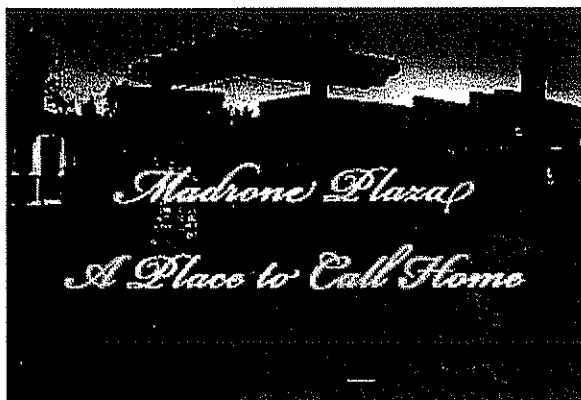
For Permits pulled between June 30, 2009 to June 30, 2011:

If no permits were pulled prior to June 30, 2009, the applicant could eliminate the median income BMR within phase 2 if 7 units are commenced prior June 30, 2011.

If permits were pulled prior to June 30, 2009, to achieve the elimination of the 1 median BMR in Phase 3, the applicant would need to complete all units in Phase 2 and commence construction on 7 units within Phase 3 prior to June 30, 2011. To achieve the elimination of 1 median income BMR in Phase 4, the applicant would need to complete all units in Phase 3 and commence construction on at least 7 phase 3 units prior to June 30, 2011.

Rebecca Tolentino

From: scott [scott@southvalleydevelopers.com]
Sent: Wednesday, November 12, 2008 2:21 PM
To: Rebecca Tolentino
Cc: steve; scott@svdev.net; sloan
Subject: Madrone Plaza offerings in lieu of BMR requirements



Offerings by Madrone Plaza in lieu of BMR commitments

1. Pricing – immediately following the Planning Commission Hearings and City Council Hearings we dropped pricing on all units in Madrone Plaza by \$22,000 per home. The second price drop was on November 5th following the Planning Commission discussion of the specific Development Agreement options for Madrone Plaza. See attached pdf files
- ② Build it Green – Madrone Plaza has decided to participate in California's Build it Green program which requires additional and significant commitments for the overall project. Anticipated cost up to \$4,000 per unit.
3. Energy Star – Madrone Plaza has decided to participate in PG&E's Energy Star program on all units for energy efficiency and cost savings to the residents and increase overall energy efficiency. Anticipated cost of up to \$2,000 per unit.
4. Amenities – Madrone Plaza provides significant and usable amenities for all residents including a clubhouse, pool, Jacuzzi, putting green, bocce ball, basketball, walkways, pathways, play areas. The significant majority of these amenities have been installed as part of the core area of the project.
5. Community Benefits - Madrone Plaza provides unique community benefits - It is close to major transportation links including train, bus, freeway, and provides a unique live/work opportunity within the Morgan Hill Ranch Business Park. Madrone Plaza also provides unique benefits to the community by providing a unique cooperation between a "for-profit" and "non-profit" builder to meet the needs of a wider variety of home buyers.

Please call me if you have any questions on the information.

Sincerely,

Scott Schilling
South Valley Developers, Inc.
16060 Caputo Drive #160
Morgan Hill, CA 95037
Phone: 408-779-6400x105
Fax: 408-779-5135

11/19/2008



PHASE 1

THE VILLAS EXQUISITE TOWN-HOMES

LOT	ADDRESS	MODEL	SQ. FT.	BED/BATH	PRICE
1	164 Cochrane Rd	B	1,929	4 / 3 ½	\$475,950
2	160 Cochrane Rd	A	1,773	3 / 3	\$458,000
3	156 Cochrane Rd	B	1,929	4 / 3 ½	\$475,950
18	18558 Garnet Ln	B	1,929	4 / 3 ½	SOLD
19	18554 Garnet Ln	A	1,773	3 / 3	\$565,700*
20	18550 Garnet Ln	B	1,929	4 / 3 ½	\$585,450**
25	18536 Poppy Jasper Ln	B	1,929	4 / 3 ½	SOLD
26	18532 Poppy Jasper Ln	B	1,929	4 / 3 ½	\$567,900
27	18528 Poppy Jasper Ln	A	1,773	3 / 3	\$552,650
28	18524 Poppy Jasper Ln	A	1,773	3 / 3	\$552,650
29	18520 Poppy Jasper Ln	A	1,773	3 / 3	\$552,650
30	18516 Poppy Jasper Ln	A	1,773	3 / 3	\$552,650
31	18512 Poppy Jasper Ln	A	1,773	3 / 3	RESERVED
32	18508 Poppy Jasper Ln	B	1,929	4 / 3 ½	RESERVED

*This home includes approximately \$23,000 in upgrades.

**This home includes approximately \$18,000 in upgrades.

FOR INFORMATION, PLEASE CONTACT THE MADRONE PLAZA SALES OFFICE AT
(408) 779-8231

Madrone Plaza reserves the right to change plans, prices and terms without prior notice.

Last Update: November 5, 2008



PHASE 1

THE VILLAS EXQUISITE TOWN-HOMES

LOT	ADDRESS	MODEL	SQ. FT.	BED/BATH	PRICE
1	164 Cochrane Rd	B	1,929	4 / 3 ½	\$556,950
3	156 Cochrane Rd	B	1,929	4 / 3 ½	\$558,500
18	18558 Garnet Ln	B	1,929	4 / 3 ½	\$575,000
19	18554 Garnet Ln	A	1,773	3 / 3	\$587,700*
20	18550 Garnet Ln	B	1,929	4 / 3 ½	\$607,450**
26	18532 Poppy Jasper Ln	B	1,929	4 / 3 ½	\$589,900
27	18528 Poppy Jasper Ln	A	1,773	3 / 3	\$574,650
28	18524 Poppy Jasper Ln	A	1,773	3 / 3	\$574,650
30	18516 Poppy Jasper Ln	A	1,773	3 / 3	\$574,650

**This home includes approximately \$23,000 in upgrades.*

***This home includes approximately \$18,000 in upgrades.*

FOR INFORMATION, PLEASE CONTACT THE MADRONE PLAZA SALES OFFICE AT
(408) 779-8231

Madrone Plaza reserves the right to change plans, prices and terms without prior notice.

Last Update: June 4, 2008



PHASE 1

THE VILLAS EXQUISITE TOWN-HOMES

LOT	ADDRESS	MODEL	SQ. FT.	BED/BATH	PRICE
1	164 Cochrane Rd	B	1,929	4 / 3 ½	\$495,950
2	160 Cochrane Rd	A	1,773	3 / 3	\$478,000
3	156 Cochrane Rd	B	1,929	4 / 3 ½	\$495,950
18	18558 Garnet Ln	B	1,929	4 / 3 ½	\$553,000
19	18554 Garnet Ln	A	1,773	3 / 3	\$565,700*
20	18550 Garnet Ln	B	1,929	4 / 3 ½	\$585,450**
26	18532 Poppy Jasper Ln	B	1,929	4 / 3 ½	\$567,900
27	18528 Poppy Jasper Ln	A	1,773	3 / 3	\$552,650
28	18524 Poppy Jasper Ln	A	1,773	3 / 3	\$552,650
30	18516 Poppy Jasper Ln	A	1,773	3 / 3	\$552,650

**This home includes approximately \$23,000 in upgrades.*

***This home includes approximately \$18,000 in upgrades.*

FOR INFORMATION, PLEASE CONTACT THE MADRONE PLAZA SALES OFFICE AT
(408) 779-8231

Madrone Plaza reserves the right to change plans, prices and terms without prior notice.

Last Update: October 17, 2008

12. DA 06-04: Diana-Chan

117 units R-1 SFD/not fully allocated.

Status

Incomplete: Phase 1 (5 units, FY 2007-08 +13 units, FY 2008-09)/2 low, 1 median BMRs
Phase 2 (14 units, FY 2009-10)\1 low, 1 median BMR

Request:

1. Elimination of BMRs
2. Reduction in BMRs for permits pulled prior to June 30, 2011

Enhancement Proposed:

- ✓ Will commit to 90 points on the Build it Green Checklist.
- ✓ Will offer an "Optional Build-it Green" program where additional features can be added and paid for by the buyer.

The following table illustrates the BMR reduction/elimination possible for units commenced prior to June 30, 2009:

18 unit phase 1 with 2 BMR units required within the phase.

25% increments built w/in 18 unit phase 1 with 2 BMRs required	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
5	5	.25	1.5	\$
4	9	.50	1.0	
5	14	.75	.5	\$
4	18	1.00	0	

For Permits pulled between June 30, 2009 to June 30, 2011:

If no permits were pulled prior to June 30, 2009, the applicant could eliminate the 1 median income unit within phase 1 if 9 units are commenced prior June 30, 2011.

If permits were pulled prior to June 30, 2009, to achieve the elimination of 1 median BMR in Phase 2, the applicant would need to complete all units in Phase 1 and commence construction on 7 units within Phase 2 prior to June 30, 2011.

**Sherimar Ranch Property
18690 Purissima Way
Morgan Hill, CA 95037**

PLANNING DEPT.
DEC 11 2008
CITY OF MORGAN HILL

December 11, 2008

Terry Linder, Sr. Planner
City of Morgan Hill
17555 Peak Ave.
Morgan Hill, CA 95037

Re: BMR Build-It-Green

Dear Terry:

With respect to the "Build-It-Green" objectives, applicable to our project future BMR requirements (to be amended), as part of the BMR Reduction plan only through June 30, 2010, the following is proposed for the Sherimar Ranch Project (MC 04-04).

Builder will provide an "Optional" Build-It-Green list of amenities that Buyers can choose from, at Buyers expense, to be agreed upon by Buyer and Builder when a Purchase Agreement is signed.

Builder will commit to achieving 90 points per home using the Build-It-Green check list, at a cost of appropriately \$3,000/per home, recognizing we can also incorporate the "Optional" Build-It-Green program paid for by Buyer.

The Builder will offer to build an appropriate size cabana of Builders design as an optional upgrade amenity, in Buyers' backyard with solar panels for outside lighting. The cabana and solar panels would be built at Buyers expense with no profit/zero profit to the Builder. The cabana/solar panel optional upgraded amenity would be agreed upon by Buyer and Builder when a Purchase Agreement is signed.

Respectfully yours,

Sheirmar Ranch (Diana-Chan MC 04-04) Property Owners

- Pak-Soo Chan/United Friendship Association
- Martinez Family Property
- Rivera Family Property
- Shelton Family Property

Proposed Development Agreement language for BMR reduction program.

A. This project may be eligible for a .25 BMR reduction for every quarter (25%) of a phase constructed prior to **June 30, 2009**. On or after June 30, 2009, any .5 fraction of a BMR resulting from a 25% BMR reduction shall be paid as a fractional share of the housing mitigation fee in effect at the time of issuance of building permit resulting in the .5 fraction.

The following table illustrates the BMR reduction/elimination possible for permits issued prior to June 30, 2009:

_____ unit project phase with _____ BMR units required within the phase.

25% increments built w/in unit project phase	Total # of units built	Quarterly (25% reduction in the number of BMRS	Resulting BMR reduction	Required fraction to be paid with Hsg. Mitigation Fee.
		.25		
		.50		
		.75		
		1		

B. Permits pulled on or after *June 30, 2009 and before June 30, 2011* maybe eligible for elimination of the median rate BMR(s) committed within any phase for which at least 50% of the building permits for that phase are pulled.

C. Projects that contain a 10 percent low BMR commitment are eligible for a 50 percent reduction in the number of BMRS required within any phase for which 50% of the building permits are pulled (for that phase) on or after *June 30, 2009 and before June 30, 2011*.

To be eligible for the elimination or reduction of the BMR requirement as described in paragraphs A, B or C above, the project must comply with the following:

- 1) In addition to all commitments made within this agreement and contained in application (*insert MC/MP application number*) this project shall (*insert enhancement commitment*) for all units contained within the respective phase for which the BMR commitment is eliminated or reduced.
- 2) Pull the required fractional share of building permits contained within a respective phase as defined on the approved precise development plan.
- 3) All building permits pulled for the respective phase for which the BMR elimination or reduction is requested must pass a foundation inspection within 180 days of permit issuance and pass a shear and roof sheeting inspection within 180 days of the foundation inspection.

If the project fails to meet **any** of the eligibility requirements as defined above, the project will no longer be eligible for elimination or reduction of the BMRS for any and all current or future phases. Failure to meet the eligibility requirements obligates the project to complete the BMRS per the Housing Needs and Types section of paragraph 14 of this agreement.

**Proposed Development Agreement language
for Housing Mitigation Fee reduction.**

This project committed to pay the Housing In-lieu fee/Housing Mitigation fee in addition to or in-lieu of a Below Market Rate unit commitment and may be eligible for a 50 percent reduction of the Housing In-lieu fee/Housing Mitigation fee for all building permits pulled prior to June 30, 2010. The 50 percent reduction is applicable to the Housing In-lieu fee/Housing Mitigation fee charged in accordance with the fee deferral program.

This project is required to pay the Housing In-Lieu fee/Housing Mitigation fee for any remaining fraction of a Below Market Rate unit commitment which is due at the completion of the project. This project is eligible for a 50 percent reduction of the final fraction resulting from the completion of the project.